

HOUSE OF ASSEMBLY

Wednesday, April 13, 1977

The SPEAKER (Hon. E. Connelly) took the Chair at 2 p.m. and read prayers.

PETITION: TAXI RADIOS

The Hon. J. D. CORCORAN presented a petition signed by 88 electors of South Australia, praying that the House urge the Government to legislate to prevent the imposition of conditions relating to two-way radios by the Metropolitan Taxi Cab Board of South Australia, on white plate taxi operators.

Petition received.

PETITION: SUCCESSION DUTIES

The Hon. J. D. CORCORAN presented a petition signed by 53 residents of South Australia, praying that the House urge the Government to amend the Succession Duties Act so that the existing discriminatory position of blood relations be removed and that blood relationships sharing a family property enjoy at least the same benefits as those available to *de facto* relationships.

Petition received.

RURAL INDUSTRY ASSISTANCE BILL

Returned from the Legislative Council without amendment.

CROWN PROCEEDINGS ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

MOTION FOR ADJOURNMENT: ELECTRICITY SUPPLIES

The SPEAKER: I have received from the honourable Leader of the Opposition the following letter dated April 13, 1977:

I desire to inform you that this day it is my intention to move that this House at its rising adjourn until 1 p.m. tomorrow for the purpose of discussing a matter of urgency, namely, that, because the interference with electricity supply threatened today by the presence of a picket line at the Torrens Island power station will impose widespread hardship and disruption on the community, industry, and in employment, this House calls on the Government to take every possible action to have the picket line removed, and ensure the maintenance of normal electricity supplies. I call on those members who support the motion to rise in their places.

Several members having risen:

Dr. TONKIN (Leader of the Opposition): I move:

That this House at its rising adjourn until 1 p.m. tomorrow,

for the purpose of discussing a matter of urgency, namely, that, because the interference with electricity supply threatened today by the presence of a picket line at the Torrens Island power station will impose widespread hardship and disruption on the community, industry, and in

employment, this House calls on the Government to take every possible action to have the picket line removed, and ensure the maintenance of normal electricity supplies.

This is a most serious and urgent matter which I would have thought would be treated by members on the Government side with the seriousness it deserves. We have heard earlier this afternoon that a picket line has been in position at the Torrens Island power station since early this morning. It is barring the way and preventing any movement to and from the power station, and the threat it imposes at this stage is that it could prevent the 4 o'clock shift from entering the power station. If it is successful in doing that, industry in this State generally, and in the Adelaide metropolitan area particularly, will be threatened. There will be a strong possibility of stand-downs involving up to 90 per cent of the working population who will not be able to be gainfully employed. There will be general disruption in the community, and all those people who are dependent on a continuous supply of electricity not only for their well-being but for their very lives will be put at risk.

All of this arises from a demarcation dispute between the metal unions and the Australian Building and Construction Workers Federation (A.B.C.W.F.). It involves the erection of a steel framework for two new \$12 000 000 boilers to be installed at Torrens Island. The A.B.C.W.F. has been picketing the construction site, and the metal unions have countered by cutting off supplies of cement and steel from the job. It is a petty little dispute when one considers the implications of the action being taken to disrupt the supply of electricity to this State and to this city.

The first stand-downs arising from the demarcation dispute occurred today when 16 labourers from the trust construction crew were stood down because there was no longer any work for them. Union bans have stopped deliveries of cement and reinforced steel to construction work on extensions to the Torrens Island B power station. I believe that the trust has kept its labour force going as long as possible but supplies of materials are running out and some, but not all, of the construction gang are being stood down. Mr. Huddleston, General Manager of the Electricity Trust, has said that there will be more stand-downs fairly soon without supplies of cement and steel and that this will happen progressively.

We have had demarcation disputes and picket lines before. Honourable members will recall the steel dispute, a demarcation dispute that dragged on and on for five months while a mound of steel rusted away on the wharves and could not be touched. That was an appalling state of affairs. It was something into which the Government would not enter.

Mr. Mathwin: It was an unofficial picketing, too.

Dr. TONKIN: Yes, but at least there was no immediate or urgent consequence of the Government's inactivity, although some people suffered. The Government consistently refused to take action, and eventually the whole business resolved itself without the benefit of Government interference. The Transport Workers Union capitulated; according to a report on August 27, 1974, "it officially lifted its five-month ban on the terminal yesterday morning".

We saw a picket line in front of the power station about two years ago, but common sense on that occasion prevailed in a relatively short time, because the members picketing could see exactly what the consequences of their action could be on individual members of the community.

The Hon. J. D. Wright: I fixed that up.

Dr. TONKIN: The Minister of Labour and Industry certainly did take action on that occasion, but he did not have to do much convincing, because there were a number of scares; there were people whose lives were put at risk by the interruption to power supplies that occurred at that time. That is an appalling state of affairs that cannot be allowed to recur. These union officials, by attempting to involve the community in their demarcation dispute, are guilty of blackmail. By involving the community and by threatening power supplies, they are guilty of far more. It will all depend on whether the 4 o'clock shift is able to get past the picket lines and into the power station. We should know by about 3.50 p.m. whether or not we are going to have restrictions and whether our power supply will be cut back. The effects on industry will be bad enough; the supply will be restricted to industries working on a continuous shift basis that have been given special permission to continue. I understand that shutting-down operations will be allowed to take place. Refrigeration of foodstuffs will be allowed. Power for essential ventilation but not for air-conditioning will also be allowed. However, I repeat that it is likely that up to 90 per cent of the work force could be affected by this shut-down. Industry will all but come to a halt and will be maintained purely on that basis—a maintenance basis. We cannot afford this sort of thing happening in South Australia, particularly at present. The past few days have seen, added to our long-standing general concern over the private sector and industrial development, more and more companies in difficulties and in danger of failing. We have seen the Government having to intervene through the Housing Trust to preserve the viability of Wilkins Servis Proprietary Limited.

A recent review of the situation in South Australia, published in the *Financial Review*, shows that South Australia is now in the top three States, compared to all other States, as far as costs are concerned, and that we have lost our competitiveness. More and more work categories have had their wage and salary structures brought into line with Victoria and New South Wales, and there are additional handicaps of higher workers' compensation rates, less favourable conditions for pay-roll tax concessions, holiday loadings, long service leave and all of the other fringe benefits that have been estimated to add about 37 per cent to fundamental award rates.

It is claimed that South Australia's pay-roll tax provisions account for the loss of one job in 20. All of these things are mitigating against the viability of industry in South Australia at present. It is obviously a matter that is causing the Government grave concern, and on top of this we have the threat of a widespread shut-down of industry caused at the whim of two unions squabbling over a demarcation dispute. The situation is patently absurd; it is criminal. The effects on the community are far greater. Apart from the effects on employment there will be a disruption of domestic and community life.

None of us realise just how dependent we have become on what we take for granted—the everyday supply of electricity. We do not realise how dependent on power supplies we are until something like this happens and threatens our way of life. Unfortunately, the people who are particularly affected by this sort of activity are young people, young families, elderly people who need to keep warm at night, and sick people who depend on continuity of a power supply. These are the people who are being attacked and got at by this sort of irresponsible activity. I wonder whether the people involved really have thought through the results of what they are doing. I doubt

it very much, because I do not think that they would even threaten to take this action if they knew what fear can be engendered in some people's minds because of the threat alone.

Most hospitals have emergency power supplies, as has been pointed out previously. However, not all sick people are in hospital and not all people can have access to those emergency supplies. Some people being nursed at home are dependent on a continuity of electricity supply, and they are at extreme risk in circumstances such as these when there is any threat to the availability of power supplies. They are at the extreme whim of a few union officials on either side of an argument, neither side being willing to give way to the other. Because they cannot reach an agreement, they are taking it out on the well-being of the community.

The total senselessness of the action is highlighted when one asks: what do they hope to achieve by cutting off normal power supplies? Are they trying to divide the community into sides, splitting it down the middle, with one side supporting one side of the argument and the other side supporting the other side of the argument? It is ridiculous. Are they justified in blackmailing the community, by putting the livelihood, health and, in some cases, possibly the lives of people at risk, simply because they cannot agree? The situation is indeed Gilbertian. What is being done is ridiculous, dangerous, and totally unscrupulous. Essential services are so designated because they are essential, and the Government has a clear duty to maintain them for the well-being of the community. I have specifically avoided saying exactly what the Government should do to remove the picket line because a number of alternatives is open to it.

Mr. Jennings: Bring in the troops, I suppose!

Dr. TONKIN: That would not have been my first thought; it would have been the last thing that came into my head. If that is what the honourable member proposes, I suppose it is one of the things that could be looked at.

Mr. Jennings: I'm not proposing it.

Dr. TONKIN: More particularly, I believe that the Minister of Labour and Industry, the Premier, and the whole Cabinet, if necessary, should get down and try to talk some sense into these union officials. They should ensure that they attend the commission hearings and find some common ground for agreement. They should make them see sense and have them desist from this blackmailing of the community. If they will not do this, and if the lives of people in our community are put at risk, I believe that the picket line must be removed by other means.

It may be necessary, if people's lives are at stake, for the Government to take emergency action. We would be very agreeable to supporting emergency legislation (if necessary, and if the Government really needs that sort of stiffening of backbone) similar to that which was introduced at the time of the motor fuel crisis. Let us hear what the Minister has to say to that. Will he take that action? If he will not, I believe that the only possible solution will be in physically making a way through that picket line. No-one wants violence (and I am the last person to advocate it in this case) but, if it is a matter of measuring the lives of individual members of the community against the stubborn pigheadedness and inability to get together and agree of a few union officials, in my view the community wins every time, and it is time the Government got on and did something about it.

The Hon. J. D. WRIGHT (Minister of Labour and Industry): It is not long ago that the member for Davenport (my shadow Minister) and I were involved in a debate on *T.D.T.* about industrial relations in South Australia.

Mr. Venning: He did you like a dinner!

The Hon. J. D. WRIGHT: My report was quite to the contrary. I am not concerned at present about who won or lost the debate, because we are in a serious position. The Opposition shadow Minister agreed with me that industrial relations in South Australia were far and away the best in Australia. He said that publicly, and there was no denial of his statement. We have not reached that stage of good industrial relations between employees and employers by using Draconian laws. We have reached it because we believe in arbitration and conciliation and because we believe in getting parties together to discuss matters with them. Surely, no Opposition member, including the Leader, can sit here today and believe that I have not made some attempt already to settle the dispute. The Opposition says that this Government should get people talking. I have been talking for 14 days and, chronologically, I will refer to that matter in a moment.

Mr. Mathwin: You'll have to get someone to help you.

Members interjecting:

The Hon. J. D. WRIGHT: I listened to the Leader in silence, and I should like to have the same respect. This is a serious matter, and I should like the rabble to keep out of it. The important thing to realise is that this is not a dispute that can be solved easily, nor is any demarcation dispute. Since being the Minister I have been involved in about four or five such disputes, and I refer to the dispute about two years ago to which the Leader referred when he said that the Government did not do much. I was almost totally responsible for solving that dispute, and having the picket line removed from the power house. That dispute was solved by people sitting down and trying to resolve the problems and reaching a compromise in a nasty and sticky situation. That is my method of trying to solve these disputes.

There have been wise men who have led the arbitration courts, the Federal Government and State Governments of our country, and who have come from overseas with advice, but not one of these persons who has come here or has held a position of responsibility and power has been able to devise a means of settling demarcation disputes. Opposition members know that. No machinery has been suitable. The Australian Council of Trade Unions, in its wisdom, set up five years ago a system that it hoped would be accepted by the trade union movement, but it was not accepted. In this State the Trades and Labor Council has a formula but that has never worked.

Last week there were consultations involving the Premier and me, and the President of the Trades and Labor Council. That is one of the things we have been trying to do: we have spoken to the Trades and Labor Council, and it agrees that its machinery does not meet these requirements. From the A.C.T.U. down, through the Federal Arbitration Court, through Federal Parliament, through the overseas visitors advising us about our industrial relations, to Jack Wright, no-one has a solution that will satisfy all parties in these disputes. For the Opposition to say that the Government has not tried to solve the dispute, is a complete fabrication of fact. I entered this dispute 14 or 15 days ago when it first broke. I discussed the matter with the metal trades federation,

which indicated to me that, historically, the work of erecting this steel-frame No. 3 boiler is the work of that federation. To listen to its story, the federation would convince one that, historically, that right is on its side. Next, I spoke to the other organisation, the builders labourers federation, and I received the same sort of statement. It is extremely difficult to be able to decide who is telling fabrications in this sort of case. The case then, as a result of action by the Electricity Trust, went before Commissioner Portus. Everyone in South Australia with experience in these matters would in any circumstances agree that Commissioner Portus is probably one of the most able commissioners in Australia. He has been a commissioner in the Federal sphere for a long time, and he has written books on conciliation and arbitration. He has washed his hands of the dispute, closing the case and saying, "This is almost insoluble. Come back when you find your own solution." That is what the Opposition is asking the Government to solve.

This industry is under a Federal award and, whatever action the State Government took following the Leader's complaint, the Government could be in conflict with a Federal body. This is not a State award; it is a Federal award in the first instance. I again called together the two unions involved and made certain propositions to them, and for a couple of days I thought we were on the right path towards solving the dispute. Unfortunately, one of the participants in my scheme said that it would not work as far as he was concerned. As a result I have had Mr. Cunningham, an officer in my department, working on this dispute almost full-time since. Only last Wednesday before the Easter break, when it became fairly evident that lay-offs could result this week, we again put a proposition to the unions concerned. The proposition was good and sensible.

Mr. Coumbe: Dual membership?

The Hon. J. D. WRIGHT: I will come to that, too, because it is good if it works. This proposition was that the dispute be brought under the auspices of the Federal arbitration court and that that court should conduct a historical examination of which union labour built the No. 1 and No. 2 boilers. That should have placed the court in a clear position about which union was covering employees at the construction stage of No. 1 and No. 2 boilers. As a consequence, we believed that a strong possibility existed (and I believe the Federal court would have agreed with us) that historically it could be concluded that in a certain year the metal trades or the builders labourers, or whoever, covered the job. The facts were staring them in the face, but we could not even reach agreement on that. We run into difficulties if we move towards arbitration because one union says that the matter belongs completely to the building industry area and the other union that it belongs completely to the metal industry area. Then it is said that there is total ignorance between one or the other of the commissioners in determining this type of dispute and that, historically, they would not know, anyway.

The Government did not rest on that failure: it was not deterred from moving into new fields. It was then decided to call in the builders labourers federation and conduct a long discussion to find a solution, if it was willing to do so. Mr. Owens, Secretary of the builders labourers federation, has always been willing to talk to either the Premier or me about this issue. In fact, he came to Parliament House last Wednesday evening at about 7.30 to discuss the problem, and placed a certain proposition before us, which was the same as that suggested by the member for Torrens through his interjection. The member for Torrens has had some

experience in these affairs and knows how difficult it is to solve a dispute. Mr. Owens's proposition was for a dual membership situation to work on this site pending an arbitration decision that would clear up the matter. The metal industries unions were not satisfied with that programme, either.

Here is a simple, factual case in which two unions think, at least, that they are both well within their rights. It seems from the employer side, particularly the Electricity Trust people and the O'Connor company, which works on the site, that historically the metal industries unions in the past have had the responsibility of traversing this site. To me, coming into the dispute for the first time, there is no doubt in my mind (and I will stand correction on this if it is possible to prove it) that for at least most of the time involved in the construction of the No. 1 and No. 2 power sites both unions have had coverage at some stage in the history of the construction of those sites. I do not think there is any doubt about that.

We are now faced with a problem on which we have worked continually for 14 days. If I have not been involved in it personally, certainly Mr. Cunningham, Mr. Bowes, and Mr. Bannon from my office have been. All the available staff from time to time and all people who know something about industrial relations in this State have tried to find a solution to the problem. I have given the House information about the things we have tried to do. We have not been able to solve the problem. The Leader has not come out and stated clearly what he would do. He said he would be prepared to pass emergency legislation in this regard, but there is no consideration at this stage (and I suppose at any stage) of the Government's introducing emergency legislation to control this sort of situation. That is just not on.

Dr. Tonkin: Why not?

The Hon. J. D. WRIGHT: I believe that would only escalate the dispute. We would have a situation similar to that which occurred in England a couple of years ago where the escalation of the powerhouse dispute caused all hell to break loose in London. I believe, and I say this whether it is accepted outside well or badly, that the responsibility for determining disputes of this type, particularly demarcation disputes, does not lie within the province of Government, Parliament, or the Arbitration Commission, although from time to time the commission has demarcated industrial disputes.

This type of dispute clearly lies within the hands of those people who caused it. There is a responsibility on the trade union movement and on the Trades and Labor Council in this State—and I have told them this—to set up machinery to which all sides within these disputes will adhere. Until that sort of programme is designed by the Trades and Labor Council and the trade unions in this country, it is no good for anyone to come here, or to any other Parliament in Australia, to look for a solution, or to introduce industrial relations bureau legislation, as the Federal Government is now trying to do. It is not on to take control of this situation by force.

Mr. Dean Brown: No backbone at all!

The Hon. J. D. WRIGHT: What the member for Davenport would like to see us do would be something as stupid as getting the police down there to kick those pickets away. He will not see that occur whilst I am Minister of Labour and Industry, anyway. I will do all within my power and within the power of the Government to keep talking to the trade unions involved, to keep the negotiations going, and keep making offers in a conciliatory manner in order to find a solution to this

problem, but neither the Government nor I will be hustled or hustled into moving into an area such as this. I now challenge the Leader of the Opposition: he would not have the courage to do it himself if he were in Government. When in Government, his Party did not move in on this type of dispute. All it ever did when an industrial dispute occurred in South Australia previously was to get up and ask members of the then Opposition to kindly use their good offices and talk to the trade union people so that these disputes could be solved. That is what happened, so it is no good members opposite talking about using power and passing emergency legislation when the solution clearly is in the hands of the trade union movement.

The SPEAKER: Order! The honourable Minister's time has expired.

Mr. DEAN BROWN (Davenport): Two issues are involved in the dispute before us. There is the demarcation dispute on the building at the power station and there is now the new issue today relating to the picket line. The Minister has dealt at great length with the dispute and the solving of it. If he looked at the motion he would see that it deals with the picket line and not the dispute as such. The picket line is threatening the power supplies in this State, not the dispute. The picket line has resulted out of the dispute. We want to move the picket line. We want the power station operating at present to continue to operate, so that the power supplies can be continued.

The Minister has dragged across every red herring he could think of relating to what he has done in the past fortnight (quite fruitlessly, I might say) in an attempt to cover up the issue of the picket line that is cutting off the power supplies. The Minister gave a detailed analysis, taking 15 minutes, of what he has done in the past fortnight. Frankly, he has achieved absolutely nothing, because today we have had an escalation of the dispute (not a solution to it) into a picket line. The Minister has said it is not the responsibility of this Parliament to solve this problem. It is certainly the responsibility of this Parliament when the power supplies to this State are cut off, when jobs are threatened, when industries are closed down and when the livelihood and the convenience of the public are at stake.

Yet the Minister would say that this Parliament has no responsibility. It has a responsibility, and yet Government members are so concerned to keep away from union involvement, that they are sitting on their tails in this House while the power supplies to this State are threatened. They are not even down there at present negotiating with the unions involved.

The Hon. Hugh Hudson: Don't look so ugly.

Mr. DEAN BROWN: I would have thought we had an ugly scene in this State, and that the Minister responsible for the Electricity Trust should be down there negotiating with the men, not sitting in this House. He has done nothing.

Mr. Venning: He wouldn't know how to start.

The SPEAKER: Order! The honourable member for Rocky River is out of order.

Mr. DEAN BROWN: The Minister is showing so little concern for this motion that he has now left the Chamber. At the moment there is a picket line at the power station. We understand that from 4 p.m. today a large proportion of this State's power supply will be shut down and industries will be forced to close. The Electricity Trust of

South Australia confirmed that this morning. Within an hour and a half jobs will be threatened. The Government is doing nothing, except boasting about what it has failed to do in the past fortnight. All it can do is stand here and talk about history, rather than getting down to the site and solving the issue at stake.

Furthermore, the convenience of people living in the metropolitan area of Adelaide is about to be threatened and disrupted through this dispute, and still the Government sits on its tail and does nothing. The strike was imposed through a demarcation dispute. The Minister has not touched on the fact that it was an illegal strike. Despite the close relationship he claims to have with the trade unions, the Minister has not been able to impress on them the urgency of keeping the power supplies going in this State. There is no need whatsoever for that dispute to be broadened to include the operating power stations. The dispute originated in the construction of a new power station, and it should be left there. The only reason I can see for broadening the dispute is an attempt to blackmail the Electricity Trust of South Australia, through public pressure, into taking a side in the dispute. I think that is disgusting. The unions are prepared to put their own wellbeing, the wellbeing of a select few, before the wellbeing of the entire community: they are prepared to blackmail South Australia.

Let us look at previous Government attempts to solve such demarcation disputes. The classic one which this State remembers and from which it still suffers is the demarcation that occurred on the steel wharf at Port Adelaide. That dispute lasted for four months, although we were constantly assured by the Minister that he was doing all within his power to solve it. I recall, within the first week or so of that dispute, the Premier making a public statement saying, "Do not worry, I will have the dispute solved." It was interesting to see that the Government eventually went to the employers and asked them to take legal action against the unions involved. It was in fact through the practices that the Liberal Party had been advocating for some months that the Government of the time decided to go to the employers to ask them to take tort action against the unions involved—

The Hon. Hugh Hudson: That's not true.

Mr. DEAN BROWN: —yet we see that this same Government now threatens to remove the right to take tort action against the union officials and the unions involved. It is part of the Government's policy. Fortunately, it has not been able to implement it yet.

The Hon. Hugh Hudson: It is not true.

Mr. DEAN BROWN: It is true. A Minister from the Government went to the employers and asked them to take action, saying that the Government would defer amending the legislation to ensure that tort action could be taken. I suggest that the Minister look back through *Hansard*; it was clearly stated by the Premier at the time.

The Hon. Hugh Hudson: I suggest that you get your facts right.

Mr. Millhouse: Are you saying he is wrong?

The Hon. Hugh Hudson: Yes.

Mr. DEAN BROWN: Are you saying that the employers did not threaten to take tort action at the time and that the Premier of this State did not encourage employers to take tort action? Everyone realises that he did.

The Hon. Hugh Hudson: I am saying you're wrong in the latter statement, either through a typical misinterpretation or a deliberate misinterpretation.

Mr. DEAN BROWN: It is not a misinterpretation at all.

The Hon. Hugh Hudson: The Premier did not do that.

The SPEAKER: Order!

Mr. DEAN BROWN: You know full well—

The SPEAKER: Order! I have called for order. I ask the honourable member for Davenport to carry on with the debate and not carry on a private discussion with the honourable Minister of Mines and Energy.

Mr. DEAN BROWN: Thank you, Mr. Speaker. The point has been made that that dispute was solved because the employers threatened to take tort action. It was resolved very quickly. There was no moving in of troops, just a firm hard hand by some people involved in the dispute, and the dispute was solved very quickly. That is quite contrary to the policy of the State Government at present. Its policy is "hands off; no hard line at all; hands off completely". We sit back and passively negotiate. We take no strong action. If ever there was some strong justification for the Industrial Relations Bureau as promised by the Federal Government it is this sort of dispute, which places a picket line in front of the power station and threatens to cut off the power supplies to the State. What will the Government do? Will it come out and criticise them? It will stand up and support the unions even though they are intimidating the rest of the State.

The Hon. J. D. Corcoran: What is the firm hand that you would use? What would you do?

Mr. DEAN BROWN: The Government, as you know—

The Hon. Hugh Hudson: What will you do? Come on!

The SPEAKER: Order! The term "you" is most unparliamentary.

Mr. DEAN BROWN: The Minister is somewhat unparliamentary himself at present.

The SPEAKER: Order!

Mr. DEAN BROWN: What can be done? First, the party aggrieved in this case could take tort action against the unions involved. That is issue number one. ETSA, for which the Minister for Mines and Energy is responsible, could be instructed, as a semi-Government authority, to take tort action against the unions involved. I guarantee that that would sort out the issue very quickly. But the Government has other powers, and it knows that. The last power it could use (and I say it is the last one), is to make sure that the picket line is physically removed. However, that should be the last power used, because many other powers can be implemented before then to remove the threat. I believe that the Government could have it removed before 4 o'clock this afternoon, even if the threat of tort action against the unions involved proceeds beyond 4 o'clock.

Mr. Millhouse: The only other thing that could be done now is physically to break the picket line: are you suggesting that?

Mr. DEAN BROWN: The incredible thing here is—

The Hon. Hugh Hudson: Are you suggesting that?

Mr. Mathwin: The Minister is frightened even of going down there.

The SPEAKER: Order! There is far too much unnecessary interjecting.

Mr. Mathwin: But the Minister—

The SPEAKER: Order! The honourable member for Glenelg is out of order. The honourable member for Davenport will carry on with the debate.

Mr. Millhouse: He will not answer the question.

The SPEAKER: Order! The honourable member for Mitcham is out of order.

Mr. DEAN BROWN: The Government has the right and the responsibility to protect the people of this State and to ensure that any group of people does not take action that will jeopardise jobs or threaten industry. It has a responsibility to ensure that South Australia's supplies of power and any other essential commodity are not cut off. The Minister of Labour and Industry has said that in no circumstances would he introduce emergency legislation, even though it has been introduced previously. In other words, he is prepared to see the dispute continue indefinitely and to see catastrophic effects on the State, but still he will not use the power of the Parliament to resolve the dispute. The issues are clear. Despite the fact that the Government is trying to cloud the issue by saying that the entire demarcation dispute must be solved before the power supply is stopped, that is not the case. The important issue is to ensure that the picket line is removed and that the shift which goes into the power station at 4 p.m. today can resume its duties.

However, the Government is not willing to take any action. Instead, it sits on its tail in the House, simply wanting to debate the issue and not meet its true responsibilities. The Government is more concerned about the backers of its Party (the group it closely represents, the trade union movement) rather than the public of this State, despite the fact that it has been put there to represent the State. I support the motion and ask the Government to take action immediately to remove the picket line before resolving the dispute.

The SPEAKER: Order! The honourable member's time has expired.

The Hon. HUGH HUDSON (Minister of Mines and Energy): Demarcation disputes are the worst form of dispute: they always have been, and they always will be. We, in Parliament, listen to a demarcation dispute every day, with the Liberal Party in some way trying to represent itself as different, and even indulging in the grossest distortions of the truth and the grossest form of gutter tactics in order to try to maintain that demarcation or alleged demarcation. We have seen the perfect example of the kind of attitude that produces a demarcation dispute in industry from the kind of speeches we have had to suffer from the Leader of the Opposition, and more particularly from the member for Davenport. I have nothing but contempt for the member for Davenport and the kind of way in which he conducts himself in the House. He degrades the level of debate and indulges in the kinds of tactic that lead to demarcation disputes between unions.

Mr. Mathwin: You're out of your depth in this one, Hugh.

The SPEAKER: Order!

The Hon. HUGH HUDSON: The member for Glenelg would not know what he was talking about any day of the week, even on Sundays.

Mr. Mathwin: You've never even worked on a building site.

The SPEAKER: Order! The honourable member for Glenelg is out of order.

The Hon. HUGH HUDSON: I happen to know something of the work that has gone on both with the Minister of Labour and Industry and with his departmental officers in an endeavour to get the unions involved in the demarcation dispute to reach some agreement.

Mr. Chapman: And it resulted in 14 fruitless days.

The Hon. HUGH HUDSON: That is right.

Mr. Dean Brown: And now the State's to be without power.

The Hon. HUGH HUDSON: The member for Davenport has contributed his usual load of garbage. He might show the House the courtesy of keeping quiet. This is a situation in which the Minister of Labour and Industry has hardly been able to get representatives of the two unions involved into the same room at the same time. The willingness to negotiate on both sides has not been there, and I believe what the Minister has said, namely, that, until such time as the Trades and Labor Council and its constituent bodies establish their own set of rules on demarcation disputes, these sorts of ridiculous situation are likely to arise again and again. It is an urgent problem for the trade union movement to resolve, as it should realise that this kind of dispute brings the union movement into disrepute.

Mr. Millhouse: Do you think they are likely to do anything about it?

The Hon. HUGH HUDSON: I believe that the trade union movement in this State is capable of setting an example to the whole of Australia.

Mr. Millhouse: They've dragged their feet on it, because they haven't done anything about it.

The Hon. HUGH HUDSON: Everyone has dragged his feet on this issue, including the Liberal Party in Canberra, which had when in Opposition the opportunity to agree to legislation that would have assisted, and made much easier, union amalgamations, but that Party threw the legislation out. One of the problems with demarcation disputes in this country is that we have far too many unions. There should be large-scale amalgamation of unions: legislation was proposed by the previous Labor Government to facilitate union amalgamations, but because of pressure from the Democratic Labor Party the Liberal Party threw it out for no other reason than pressure from the D.L.P. Let us be clear on the way in which, in the long-term, these kinds of dispute can be resolved. They can be resolved by assisting union amalgamations, and they can be helped to be resolved by the trade union movement's agreeing to appropriate procedures for their resolution every time a demarcation dispute arises. However, at this stage that will not help resolve this dispute. The Minister of Labour and Industry in his discussions with the Building and Construction Workers Federation appealed to it not to escalate the dispute in this way.

Mr. Dean Brown: And he failed there, too.

The Hon. HUGH HUDSON: He failed to get that agreement, but the honourable member for Davenport in his wisdom says, "Break the picket line." Does the honourable member know that the Municipal Officers Association, which mans the powerhouse, has refused to go through the picket line, and if the picket line is broken by force we may well have that association out on strike.

The Hon. G. R. Broomhill: And many others with them.

The Hon. HUGH HUDSON: What sort of tactic is the honourable member proposing? Is he suggesting that we take action that in all probability will cause a strike in the powerhouse? The member for Davenport, the member for Glenelg and the Leader of the Opposition have demonstrated that they are not interested in an effective resolution of the dispute or in continuing in a constructive way in this debate. They are interested only in exaggerating to the greatest possible extent the demarcation dispute between

the Opposition and Government. The Opposition wants its own demarcation dispute, and the only reason for its carrying on in this extreme fashion today is that it thinks that there may be some votes in it. Opposition members know that, in negotiations on these matters, care has to be taken all the time by anyone who sets himself up to conciliate in a dispute in order to avoid action that destroys his position as a conciliator. If the Minister of Labour and Industry started on a union thumping role (as would be advocated by the member for Davenport), he would lose automatically any influence he might have as a conciliator. Members know that that is the score. This dispute involves a Federal award. We do not have—

Mr. Mathwin: You would leave it go for ever, and let it go on and on.

The Hon. HUGH HUDSON: The union movement itself must come to a proper appreciation of the problems involved, and it will, I believe, come to a proper appreciation.

Mr. Dean Brown: When?

The Hon. HUGH HUDSON: It will recognise that the action of the Australian Builders and Construction Workers Federation in picketing the powerhouse, which is operating and which is not involved in the dispute on this construction site, is an improper action.

Mr. Chapman: You recognise that: that's a start.

The Hon. HUGH HUDSON: Within the next day or so we hope that that recognition—

Mr. Mathwin: We'll have run out of candles by then.

The Hon. HUGH HUDSON: I never know how to reply to the intellectual gems that spew forth from the mouth of the member for Glenelg.

Mr. Mathwin: How great I am!

The SPEAKER: Order!

Mr. Mathwin: You've been chatterboxing for quarter of an hour now.

The SPEAKER: Order! The honourable member for Glenelg is completely out of order in interjecting.

The Hon. HUGH HUDSON: The middle aged genius—the boy genius with all the answers.

The SPEAKER: I ask the Minister to continue with the debate.

Mr. Dean Brown: There are two points—

The SPEAKER: Order! The member for Davenport is out of order.

The Hon. HUGH HUDSON: A series of actions could be taken now—

Mr. Venning: Get the Speaker down there.

The Hon. HUGH HUDSON: —which could well result in not resolving the dispute but making it worse. Any action that is taken must be supported by the majority of trade unions in this State or otherwise the problem will escalate and we will only succeed in making the dispute worse. I suspect that members opposite would be joyful if the dispute became worse, because then they could indulge in their own demarcation dispute to an even greater extent. Members opposite, on the question of breaking the picket line, have pussyfooted the issue.

Dr. Tonkin: What?

The Hon. HUGH HUDSON: They have not given us an honest and straight answer about what they would do. The member for Davenport even said that breaking the picket line was a last resort, but how long would he wait before doing it? The Leader of the Opposition did not say anything except that he predicted that violence may be necessary to—

Mr. Venning: When are you going to start saying something: you've only four minutes to go.

The SPEAKER: Order! The honourable member for Rocky River is out of order.

The Hon. HUGH HUDSON: He is dumb as well.

Mr. Venning: When are you going to take the Speaker down there?

The SPEAKER: Order! If the honourable member for Rocky River is in any way reflecting on the Speaker, I warn him that that is a serious offence in a Westminster system of Parliament.

The Hon. HUGH HUDSON: The honourable member can reflect on me but he must leave the Speaker out of it. We have not had from the Opposition any genuine answers of any description about how to solve this matter. They have simply tub-thumped and have tried to indulge in their own form of demarcation. The position is that—

Mr. Dean Brown: Would you allow them to take court action—

The Hon. HUGH HUDSON: The honourable member told his usual untruths in his speeches. What he said about the Premier was not true. The Government has been involved in continuous negotiations with unions that were involved in the container terminal dispute. It was not until the Trades and Labor Council executive came into the issue and expressed a point of view, virtually declaring the action of one group illegal as far as it was concerned, that the dispute was resolved. The honourable member's history on that matter was completely false, as usual. This Government, as the honourable member well knows, would not be involved in encouraging tort actions by ETSA in this situation. Indeed, if the honourable member had the misfortune, from the State's point of view, of being the Minister responsible, and he told the ETSA board to take tort action, it would refuse.

Mr. Dean Brown: How do you know?

The Hon. HUGH HUDSON: I am prepared to ask it.

Mr. Dean Brown: Have you?

The Hon. HUGH HUDSON: I have discussed this matter in detail with the ETSA management, and its attitude all the time is not to take action that will escalate the dispute still further and make talks and discussions impossible. If the ETSA board were to take the sort of action recommended by the member for Davenport, we would soon have the kind of industrial relations in this State that have plagued the power industry in the State of Victoria, where disputation, power shortages, and power cuts have been a continuous feature of the industrial scene. That is the kind of recommendation honourable members opposite would make. They are men of violence, and they are not prepared to be part of a situation which attempts—

Mr. Mathwin: What about the socialist Government in the U.K.?

The SPEAKER: Order! The honourable member for Glenelg is completely out of order. That has nothing to do with the motion before the House.

The Hon. HUGH HUDSON: Members opposite are not prepared, in a constructive manner, to contribute to a debate in a manner that would help the resolution of this dispute without making the situation worse. Let me make it quite clear.

The SPEAKER: Order! The honourable Minister's time has expired.

Mr. EVANS (Fisher): I wish, first, to ask whether the Minister of Mines and Energy will give me the courtesy of speaking—

The Hon. Hugh Hudson: I always do.

Mr. EVANS: He entered into possibly his most abusive tirade of sarcastic and nasty comments against members of the Opposition, and finished up by saying that we were men of violence. That is all he based his argument on; abuse of the Opposition in a sarcastic and nasty manner. I believe that a man of his education and recognised (by some) intelligence should know better and should conduct himself better on a matter as important as is the one we are debating this afternoon. We are concerned about a picket line that has every possibility of stopping the power supply to the major part of the State. It is of so much concern that many people will be unable to continue production in their work. The health of many people could be jeopardised, and, in some cases, people could be isolated because of transport or other difficulties.

For the Government to suggest that there is nothing it can do is, I believe, false. I think it is about time we realised that the first responsibility of a Government is to govern and that the first responsibility of Parliament is to see that a Government does govern. If the Opposition has to play part of that role in an emergency situation, this Opposition is doing that. Members on this side are attempting to make the Government realise that it has a responsibility to society that is greater than the responsibility it may believe it holds to a few radical union leaders. That is what it boils down to.

One of the unions involved in this dispute is the builders labourers union, a union with one of the worst possible records. Its attitude on demarcation has been extreme on many issues. At the Gateway Inn, opposite Parliament House, the bricklayers decided to labour for themselves because the labourers did not wish to work. The management was forced to have the brickwork pulled down because the labourers would not go back and labour or let work proceed on the job unless it was pulled down. Why should not the bricklayers have the right to leave their work standing? It was done in a proper manner. Any bricklayer can labour, but any labourer cannot necessarily lay bricks. That is an example of how ridiculous this group has been. Its members have threatened violence and in a way have been associated with violence on building sites. That is on record for us to know, as Parliamentarians.

When the Minister of Mines and Energy, in whose court this dispute falls just as much as it falls within the court of the Minister of Labour and Industry, talks of men of violence, let us be assured that we are dealing with such men now. We have proof of that. In fairness to the member for Rocky River, perhaps I should clear up a point that he made earlier when he suggested by interjection that you, Mr. Speaker, should go to the dispute. It was because he thought you had the attributes to resolve it. He was really praising you, not denigrating you.

Mr. Millhouse: Ha, ha, ha! Who would believe that?

Mr. EVANS: That is what was said. The other field into which I should like to venture at the moment is this: if this dispute was reversed, if a private enterprise venture had virtually a monopoly over some power supply or some resource in the State that the community needed to operate effectively, and if that private enterprise venture intended to withdraw the service by closing down the works, thereby affecting 90 per cent of the jobs in this State, members of the present Government would knock down the front doors of this building trying to get in to pass emergency legislation to take control of the situation.

The Hon. J. D. Corcoran: Rubbish!

Mr. EVANS: The Deputy Premier says it is rubbish.

The Hon. J. D. Corcoran: So it is.

Mr. EVANS: Let me go back to a situation not exactly like this, but a situation where, because of industrial problems in other matters, we had a crisis with another form of fuel or energy, petrol. This Government and the Opposition agreed to meet in this Chamber, and the Upper House also agreed to meet to pass legislation on a Monday.

Mr. Coumbe: On a non-sitting day.

Mr. EVANS: It was a non-sitting day, and we met to pass legislation for an emergency situation.

The Hon. J. D. Corcoran: To solve a dispute?

Mr. EVANS: We passed it to attack an emergency situation, a matter of urgency.

The Hon. J. D. Corcoran: It was a matter of distribution of the supplies on hand. It had nothing to do with this.

Mr. EVANS: That legislation was never put into effect, because it was not necessary to call on it, but it was made available to the Government. If the Ministers (and I shall put them all in that category) or just the Minister of Mines and Energy and the Minister of Labour and Industry cannot resolve this through the parties, if the Federal Arbitration Commission said that it was such that it could not handle the matter and it washed its hands of it, and if there was no other course open, this Parliament should be able to pass emergency legislation to make it illegal to have a picket line, and thus to have it broken. If people are saying that that would mean bigger industrial trouble elsewhere, I ask who is governing the State, who is blackmailing this Parliament and the people in the community, and who is holding them to ransom. Is it 18 men of the builders labourers group plus the metalworkers? They are holding this society and this Parliament to ransom and to blackmail, because we are afraid that, if we take one action, they will take even stronger action in another area. Perhaps the day has arrived when we should be able to front up to such a situation if (and I emphasise this strongly) the Ministers admit that there is no other way in which they can resolve the situation.

The Minister of Mines and Energy made the point that the union movement knows the urgency of the situation and he believes it will solve the problem. About 50 minutes from now another group of shift workers is supposed to go into one of the major power producing plants in this State to maintain the work force in its jobs. The Minister of Mines and Energy, the man with the Ministerial responsibility for that energy supply, says that the union movement knows the urgency of the situation and it will solve the problem. When the Minister talks about people stating things that are not factual, I believe he should look at his own statement because he knows, as we all know, that the union movement is not likely to see the urgency of the situation and call off the picket line to enable people to carry on with their work.

What right has a group of builders labourers to say to another group of workers who have nothing to do with the structure concerned that it will deny them the opportunity to work? If there is a right to strike, there must be a right to work for those individuals who wish to work. Not once has either of the Ministers who have spoken said that there is a right for individuals to be able to work. I do not believe this section of the trade union movement realises the urgency of the situation, or respects the rights and privileges of the rest of society, or respects this Parliament. I think we all know that and we all appreciate it in our own hearts. I believe the Minister of Labour and Industry was fighting way below the belt when he suggested that this dispute was not within the Government's area of responsibility or that of a Parliament, and that it was not a

problem that arbitration could solve. What is he telling us? Will the Minister tell the press afterwards where he thinks the responsibility lies?

The Hon. J. D. Wright: I said that in my speech.

Mr. EVANS: The Minister said that both parties had refused to negotiate, and that a Federal Arbitration Commissioner had said that he washed his hands of the dispute. Is he suggesting these parties should solve it?

The Hon. J. D. Wright: I said the answer was in the trade union movement's hands.

Mr. EVANS: The trade union movement has had an opportunity for 14 days to solve the problem with the Minister helping or hindering (I am not sure which), and the dispute has not been solved. We are now told by the Electricity Trust that there is every chance of not just restrictions but of black-outs, and they are much more serious than are restrictions. I think the Minister knows better than he admitted. The Minister of Mines and Energy said the matter was related to the Democratic Labor Party somewhere in the Federal scene. We are talking about the Electricity Trust of South Australia. It is the power supply to our people we are concerned about, not the supply of power to Canberra. We are making the offer to the Government that, if it believes it needs extra power for this one situation, it will get co-operation similar to that given in relation to the fuel dispute. It is not a matter of emergency legislation that will cover many aspects in the future over which Parliament would have no control, but of emergency legislation that would give Parliament power to act on this occasion. If the last thing needed is this type of legislation, we will support it.

At 3.15 p.m., the bells having been rung, the motion was withdrawn.

The SPEAKER: Call on the business of the day.

Mr. MILLHOUSE: I rise on a point of order, Mr. Speaker.

The SPEAKER: What is the point of order?

Mr. MILLHOUSE: It arises out of the debate we have just had. I ask you whether or not you intend to have the lights in this building switched off at 4 p.m. and I desire to explain why I raise this matter. I have counted in the Chamber 68 separate lights, plus the fluorescents around the Chamber—

The SPEAKER: I cannot see that that is a point of order.

Mr. MILLHOUSE: How else can we as Parliamentarians set an example to the community to comply with this advertisement? There must be hundreds—

The SPEAKER: Order! The administration of the Parliament is my responsibility, and I shall carry it out according to the conditions as I know them from official sources. There is no point of order.

Mr. MILLHOUSE: I desire to take another point of order, Sir. We have one hour here to set our own Parliament in order. There is a restriction on the supply—

The Hon. J. D. Corcoran: What is the point of order?

Mr. MILLHOUSE: I am asking the Speaker to rule that we as Parliamentarians should abide by the advertisement in the newspaper dealing with the restriction of supply by the Electricity Trust.

The SPEAKER: Order! There is no point of order. As I said, the conditions will be met according to the exigencies of the hour.

Mr. MILLHOUSE: Well, Sir—

The SPEAKER: Order!

Mr. MILLHOUSE: If you rule in that way, I must disagree with your ruling.

The SPEAKER: I have not given any ruling; I have merely said there is no point of order.

Mr. MILLHOUSE: That is a ruling, I suggest, and I desire to disagree with it. I propose to do so, if I may—

The SPEAKER: There is no point of order; there was no ruling for me to give.

Mr. MILLHOUSE: With the very greatest respect (and I take this as a very serious matter indeed), I desire to disagree with your ruling that there is no point of order.

The SPEAKER: The honourable member must be seated.

Mr. MILLHOUSE: Sir, I move—

The SPEAKER: The honourable member must be seated.

Mr. MILLHOUSE: I move to disagree to your ruling.

The SPEAKER: No ruling has been given; there is no transgression; there is no point of order.

Mr. MILLHOUSE: Well, may I ask you then, as the business of the day has not been called on, what you intend to do at 4 o'clock?

The SPEAKER: I have called on the business of the day. We shall proceed at this juncture with the normal business of the House.

Mr. MILLHOUSE: What are you going to do at 4 p.m., when the power is restricted?

The SPEAKER: Order! The honourable member is out of order. If he persists I shall have to take action against him.

Mr. MILLHOUSE: I do not know what other members think about this, but I suggest we are as much bound (we should be bound morally, whether legally or not) as anyone else in the community.

The SPEAKER: Order! I think I have been more than tolerant with the honourable member. I ask that he be seated. We will carry on with the business of the day.

Mr. MILLHOUSE: May I ask what you propose to do—

The SPEAKER: If the honourable member is going to defy me and disrupt the House, I shall be forced to take action against him, and he is well aware of the only action I can take.

Mr. MILLHOUSE: Well, Sir—

The SPEAKER: Order! The honourable member will be seated.

Mr. MILLHOUSE: May I ask—

The SPEAKER: Order! I warn the honourable member.

WORKMEN'S COMPENSATION (SPECIAL PROVISIONS) BILL

The Hon. J. D. WRIGHT (Minister of Labour and Industry) obtained leave and introduced a Bill for an Act to exclude from the definition of "workman" in subsection (1) of section 8 of the Workmen's Compensation Act, 1971-1974, certain persons who are contestants in sporting or athletic activities, and for other purposes. Read a first time.

The Hon. J. D. WRIGHT: I move:

That this Bill be now read a second time.

Judicial decisions in New South Wales (the most recent being last February) have interpreted the New South Wales Workmen's Compensation Act as applying to sportsmen who are not professionals and who may receive only a few dollars a week for playing in a match. The Government is concerned that, because of the similarity of the definition of "workman" in our Act to that in the New South Wales Act, a similar situation could arise in this State. Until the New South Wales decisions were given it had never been thought that such sportsmen were workers within the meaning of the Act. While the matter

remains untested in South Australia there is now uncertainty as to whether any person who may be injured while participating in sporting activities is subject to the Workmen's Compensation Act. The Government felt that urgent action was called for to ensure that sporting clubs in South Australia were protected from the massive financial implications of the situation should it be found to be the same in South Australia. This Bill is therefore introduced to protect sporting clubs from the necessity of providing workmen's compensation cover for players who receive anything in the nature of payment from their club.

In view of the short time that is now available before Parliament rises, and the complexity of the matter, the Government has decided to follow the New South Wales precedent of having a temporary provision to maintain what has been thought to be the situation, pending a detailed examination of the matter. It is proposed that this examination be undertaken by officers of the Minister of Tourism, Recreation and Sport and my officers. The Bill is to have effect until the end of next year but may be repealed earlier if that is possible. I have consulted with the two organisations principally concerned, the South Australian National Football League and the South Australian Soccer Federation. They consider the proposed legislation acceptable and have expressed their gratitude for the Government's prompt action in the matter. They, together with any other sporting organisation in the State, will have an opportunity to make submissions to the officers investigating the matter and will be invited to do so.

While the Workmen's Compensation Act is not appropriate to cover the sportsmen who are not professionals, the Government is concerned that there should be adequate insurance cover of some sort, and this will be examined in detail. One possible solution could be the establishment of a common fund to provide a special compensation scheme for sports injuries. In my discussions with the representatives of the two codes of football I stressed that all their affiliated clubs should make the effect of this legislation clear to players and by giving them notice enable individuals who feel they want special cover to obtain it privately. They have readily agreed to do this, and I shall be writing to all other organisations in due course requesting them to do the same.

I turn now to the detailed provisions of the Bill, and seek leave to insert the second part of the explanation in *Hansard* without my reading it.

Leave granted.

SECOND PART OF EXPLANATION

Most honourable members will be aware of a recent decision in a court in New South Wales where it was held that a player of rugby league football, remunerated by a nominal "match fee" only, was a "worker" within the meaning of the Workmen's Compensation Act of the State. Although no similar decision of a court has been brought to the attention of the Government, the corresponding Act of this State is sufficiently similar to the law of New South Wales to cause the sporting bodies in this State some disquiet. Accordingly, this measure is introduced to give the sporting organisations some "breathing space" until suitable arrangements can be made to effect appropriate insurance protection for sportsmen.

I will now deal with the Bill in some detail. Clause 1 is formal. Clause 2 provides that a person will not be considered a workman within the meaning of the Workmen's Compensation Act while he is carrying out the activities described in paragraphs (a), (b) and (c) of subclause (1) of this clause, provided that the only remuneration he receives under any contract is for the doing of those things. Thus, a professional cricketer who was employed also as

a groundsman for a club would not be exempted under this clause. In addition, by subclause (2) certain specified persons are excluded.

Clause 3 is intended to ensure that this measure will not, indirectly, be a vehicle for stimulating claims that would not otherwise have arisen but at the same time protecting claimants who have, before March 16, 1977, commenced actions. Clause 5 is intended to ensure that any past or continuing payments of continuing payments of compensation are not affected. Clause 6 reflects the temporary nature of this measure. In substance, it is only to have effect until appropriate alternative arrangements are made. In any case, it will expire on December 31, 1978.

Mr. EVANS secured the adjournment of the debate.

FENCES ACT AMENDMENT BILL

The Hon. PETER DUNCAN (Attorney-General) obtained leave and introduced a Bill for an Act to amend the Fences Act, 1975. Read a first time.

The Hon. PETER DUNCAN: I move:

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

EXPLANATION OF BILL

This Bill amends the principal Act upon two subjects. First, it contains a power of exemption that is designed to make possible the exemption of "roads screening reserves" from the provisions of the Act. These reserves are a relatively new development in South Australia and so far are to be found only at West Lakes. They are strips of land which lie between land in private ownership and road reserves. The strips, which do not form part of the road, are owned by the local council and are used by it as buffer strips; they are heavily planted with trees, shrubs and other vegetation to reduce the transmission of noise caused by motor vehicles to abutting residential areas. This kind of reserve was not envisaged at the time the Fences Act was enacted. If these reserves are not exempted from the Act, the local council could be liable for upwards of \$250 000 as its contribution towards the cost of fencing private property that adjoins the reserves. In order that the exempting provision will be wide enough to cover not only the road screening reserve but also other forms of development that may occur in the future, the Bill provides for the exemption to be prescribed by regulation. This will make possible a flexible approach to exempting public lands from the provisions of the Act, while retaining Parliamentary oversight of such exemptions.

The other amendment proposed by the Bill is designed to clarify the transitional period between the old Act and the new Act. Under the old Fences Act the occupier of land which abutted on unoccupied land could erect a fence and subsequently claim a contribution when that adjoining land became occupied. Legal opinions differ as to whether this right to contribution can still be exercised following the repeal of the old Fences Act. The Bill therefore seeks to put the matter beyond the reach of argument by providing for the rights conferred under section 10a of the repealed Act to remain in force following the enactment of the new Fences Act.

The provisions of the Bill are as follows: Clause 1 is formal. Clause 2 provides that, where a fence was erected under the repealed Act and a right to claim contribution could have arisen under section 10a of the repealed Act,

that right shall be exercisable notwithstanding the repeal. Clause 3 empowers the Governor to make regulations exempting public land of specified kinds from the provisions of the Fences Act.

Mr. CHAPMAN secured the adjournment of the debate.

UNITING CHURCH IN AUSTRALIA BILL

Adjourned debate on second reading.

(Continued from April 6. Page 3223.)

Mr. WARDLE (Murray): I support this measure, and I believe that my colleagues will support it, too. I am always amazed in this place that topics for discussion can change so rapidly. I hope the attitude and spirit of the House will change rapidly now, because I hope to generate enough enthusiasm to throw some light on this subject during the rest of the afternoon. I hope that, even if we cannot find a great deal of unity in the subject we have already discussed this afternoon, we will find much unity in this issue, because in South Australia there are 40 000 people outside of this place who have found a considerable amount of unity about the subject we are discussing. I believe that it is quite a momentous day in this State that this Parliament should deal with (and, I certainly hope, wholeheartedly approve) this measure. I think it is something in which the whole Parliament ought to be pleased to take part and that it will place the seal of approval on what three groups of people (the Congregationalists, Presbyterians and Methodists of this State) have decided to do in their own way as democratically as they believe the matter ought to be dealt with. I believe that each denomination in its own way and in its own time has democratically dealt with the issue of uniting those three Christian denominations. I have said that I believe it is an important day for this Parliament, because this Parliament is assisting many citizens in this State to bring to pass what they, in turn, have agreed to do.

I will now read several of what I believe to be important aspects of the basic faith in the basis of union to which they have agreed, that being terribly important to them as individual groups. It is necessary for us in this Parliament to provide the basic authority by which their property may be vested. I consider that the important thing is that, prior to this time, an agreement has been reached between these three Christian denominations. I believe it is important to place on record several of these basic, important statements. Members will find them in the Bill on pages 19, 20, 21 and 22, but I believe that, in order to put that record straight, something ought to be said about the basis of union. I will read from the Basis of Union, because no words of mine could so completely or adequately describe and fulfil what I believe is the basic spirit behind this movement of uniting. From the basis of union, the following passage is important:

The Congregational Union of Australia, the Methodist Church of Australasia and the Presbyterian Church of Australia, in fellowship with the whole church catholic, and seeking to bear witness to that unity which is both Christ's gift and his will for the church, hereby enter into union under the name of the Uniting Church in Australia. They pray that this act may be to the glory of God the Father, the Son and the Holy Spirit.

Mr. Max Brown: Amen.

Mr. WARDLE: It would be appropriate to say "Amen" in connection with several issues. The honourable member has somewhat raced me to the point at which I was going

to add important words about the basis of union. I appreciate that he entirely agrees with me. He surely would not say that if he did not believe in what was being said. At the conclusion of the first paragraph of the basis of union, the following sentence is important:

In entering into this union the churches concerned are mindful that the church of God is committed to serve the world for which Christ died, and that she awaits with hope the day of the Lord Jesus Christ on which it will be clear that the kingdom of this world has become the kingdom of our Lord and of his Christ, and he shall reign for ever and ever.

I repeat the following passage from the second paragraph of the basis of union, as follows:

The Uniting Church lives and works within the faith and unity of the one Holy Catholic and Apostolic Church. She recognizes that she is related to other churches in ways which give expression, however partially, to that unity in faith and mission.

Paragraph 11 of the basis of union states:

The Uniting Church acknowledges that God has never left his church without faithful and scholarly interpreters of scripture, or without those who have reflected deeply upon, and acted trustingly in obedience to, his living word. In particular she enters into the inheritance of literary, historical and scientific inquiry which has characterized recent centuries, and thanks God for the knowledge of his ways with men which are open to an informed faith.

I wanted to quote those passages, because I believe that the basis of the Uniting Church, rather than being concerned about property (which is really the whole province of the Bill), is something far more significant and important, because it captures the imagination of the whole world. Therefore, when later I come to the matter of complaints which a few people have made and which relate to property, assets and fixtures in the form of bricks and mortar, it will be important to compare the complaints with the spirit of the unity into which those groups of people have entered. As I said earlier, the Bill establishes a property trust that, in principle, will hold all the property of the Uniting Church in South Australia, and I emphasise that as being the real basis of the Bill. Without the Bill, the Uniting Church would have no central place or authority wherein to invest all of its assets. When we realise that there are more than 600 church properties within South Australia, we realise how important it is that the Bill be passed by this House. One must realise that many institutions and important agencies go along with those properties. So, we are talking in terms of assets of many millions of dollars. The important day in South Australia for the Uniting Church's inauguration is June 22, 1977, and it is important that, in preparing for that exciting day—

Members interjecting:

The SPEAKER: Order! I ask all members to be tolerant, because we are experimenting with the electricity supply.

Mr. WARDLE: I am delighted to think that I am throwing sufficient light on the subject for the physical lights to be dimmed; yet I hope we have sufficient vision to see where we are going.

Mr. Millhouse: There are 36 lights to help you.

Mr. WARDLE: I think that the member for Mitcham is up the pole somewhat.

Mr. Millhouse: You tell me if there aren't 36 lights on at present.

Mr. WARDLE: There are more important matters to discuss than the number of lights that might be on in the Chamber. I believe that the Uniting Church will be a stronger force in South Australia than the three individual Christian denominations have been in the past as three separate units. With the passing of this legislation, the

State will be better served by a Christian denomination which one might say is the first indigenous denomination of its kind in Australia and one which will serve almost one-quarter of the State's population and become the second largest Christian denomination in the State, second only to the Church of England group. I say that not boastfully but purely for the statistical record. There have been many illustrations of the Uniting Church throughout the world over the past 30 years or 40 years. The most recent was an experience I had in Papua New Guinea of the amalgamation of those Christian groups in that territory. The Uniting Church came into being in Papua New Guinea several years before that country became one from a governmental point of view. I believe that the experiment is working out very well in the territories of Papua New Guinea and the Solomon Islands.

Some of us were interested in the amalgamation of the two Lutheran congregations between six years and eight years ago and watched that unification with pride. I believe that concerned Lutherans would in no way go back to the old situation they had of two distinct groups. The unification has been a good thing for the Lutheran Church of South Australia and for South Australians generally. I also cite the example of the Church of South India, an experiment which, I believe, has been of great advantage to that country. I always believe that, wherever history records greater unity within the Christian church throughout the world, the whole of the church benefits. Any act or display of unity is surely encouraging to the whole Christian world and beneficial to its witness. The arrangement that has been made within the Uniting Church will give greater authority to local areas. We have seen instances of the Education Department and other Government departments being regionalised and diversifying into country areas where the Government has become closer to the people. As strong believers in local government, we believe that government should begin basically with the people, and I am sure that we all appreciate that, under the new system, greater authority will be given to the local church. The State will be divided into seven presbyteries and, rather than depending as it has in the past on decisions of annual conferences or assemblies for State-wide church government, there will be greater control of the administration and life of the community at local level, instead of information being received from a central State convention or conference.

I believe that the State receives great service from the total church (Catholic, Orthodox, and Protestant) regarding certain services given in the community. Any Parliament should appreciate (and will appreciate) the programme of the Uniting Church with regard to welfare, counselling, health care, youth work, aged care, and education. These contributions are great within the community, and I believe that the new Uniting Church will be better equipped to use its expertise in all aspects of its welfare work in the community. It is an exciting day when we see that three of the Christian denominations that have been imports in the past are now being created into the first indigenous church by uniting three of those imports into one Uniting Church. We must also remember that this is not only taking place in South Australia but that similar legislation is being introduced throughout Australia.

I must refer to the continuing church as well as to the Uniting Church. Interested members will have realised that in the past several years there have been certain bases for union. One for the Methodist Church and its rules was to decide whether it would enter the Uniting Church, and, at

the State Conference, the annual conference of the Methodist Church and the Triennial General Conference, a simple majority vote would decide whether or not it would enter the union. That was undertaken. Also, within each of the three churches throughout the State a vote about entering into union was conducted on the basis of the local church. The results are interesting. A total of 31 360 Methodists voted to be part of the Uniting Church, and that was done on the basis of the general and annual conferences. Of the 2 750 members of the Congregational Church, 30 voted to belong to the continuing Congregational Church. Of the 4 268 Presbyterians, 1 070 voted to continue their association with the Presbyterian Church.

It should be remembered that, in the case of the Presbyterian Church, in any one single church, provided that 33½ per cent or more of the congregation wanted to stay in the continuing Presbyterian Church, that congregation stayed. However, with Congregationalists and Methodists, it was a matter of a simple majority. One could say there was quite an advantage in the basic rules of the Presbyterian Assembly, in that it took only a 33½ per cent vote to remain as the continuing church. Several Presbyterian churches decided to stay as the continuing church, and two were in the metropolitan area. Congregations at Millicent, Rendelsham, Beachport, Naracoorte, Lucindale, Penola, Glenburnie, Allendale East and O.B. Flat decided to remain in the continuing church, as did those at Elizabeth and Port Augusta.

It must be said in all fairness that there was a greater opportunity for a Presbyterian congregation to remain in the continuing church than was the case in the other two denominations. I have read with interest the minutes and evidence of the Select Committee of the Upper House, and found that three people complained that the Presbyterians were left without a Presbyterian Church within the city proper. One person said that he had not been an active communicant for five or six years and in that time had not been closely associated with the church, and the other two folk considered that the continuing church point of view had not been strongly canvassed in their local congregations.

In relation to retaining Scots Church within the city of Adelaide as a place of worship for Presbyterians, I have figures indicating that, of 471 Presbyterians in Scots Church, only 10 wished to continue in the continuing Presbyterian Church. However, in all fairness to that group, I add that the final count will not be known until June 22. I do not believe that the total will vary much, but I make clear that the figures I have given are not the final figures. I emphasise that these 40 000 members and communicants (and I am not including adherents, of whom there would be several hundred thousand) have entered into a spirit of mission, of dedication and of complete fulfilment of what they believe is the lead that the Gospel, in which Christians believe, gives them. I therefore commend this legislation to the House. It is, as I have said, legislation that will enable these Protestant participating congregations to enter a unity called the Uniting Church. This Bill will allow all their property and assets to be vested for them in the Uniting Church. I commend the Bill to the House.

Mr. WOTTON (Heysen): I rise briefly to commend this legislation and to support the views that have been put forward by the member for Murray. June 22 this year is a day for which many people have worked very hard. On that day the new structure of these three denominations will come into being. I commend all

those people who have worked towards that goal. As was pointed out in the second reading explanation, the work that has gone into that day will be appreciated not only on that day but also in time to come. I could relate my associations with Prince Alfred College. I noted with much interest in the second reading explanation the changes this Bill will introduce for this college. From discussions I have had with members of the council of Prince Alfred College and those associated with the college, I have ascertained that the Bill will assist the running of that college. Again I commend the legislation and support the views so ably put forward this afternoon by the member for Murray. I wish the new church success for the future.

Bill read a second time.

In Committee.

Clauses 1 to 31 passed.

Clause 32—"Registration of interests of trust in land."

The Hon. PETER DUNCAN (Attorney-General): I move:

To insert clause 32.

It deals with taxation and is a money clause within the meaning of section 60 of the Constitution Act and, in accordance with section 61 of the Constitution Act, the clause could not originate in another place but is deemed necessary by that Chamber. The clause grants the Uniting Church an exemption from stamp duty in respect of the vesting of property.

Clause inserted.

Remaining clauses (33 to 45), schedules and title passed.

Bill read a third time and passed.

STATE GOVERNMENT INSURANCE COMMISSION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from March 31, Page 3080.)

Dr. TONKIN (Leader of the Opposition): The S.G.I.C. Bill, as this is commonly called, has had a long and involved history. The matter was first raised in a policy speech given by the late Frank Walsh in 1966, and the S.G.I.C. Bill was presented to the House during the term of that Parliament. It was rejected at that time. It was again presented as the first piece of legislation brought forward to the new Parliament after the election in 1970, when I and many of my colleagues first came into this place. At the time, the Premier said:

The object is to establish a State Government Insurance Commission, with power to carry on the general business of insurance other than life assurance.

That is not the only time we had the provision that the business would cover the general business of insurance, other than life assurance. I can remember a time, during the protracted conferences on the Bill when it first came in, when an assurance was given by the Premier that S.G.I.C. would not enter the field of life assurance. That undertaking was not honoured and indeed measures to allow S.G.I.C. to enter the field of life assurance were brought into the House in the following Parliament. Again, they were rejected.

The reasons why the Premier has brought in this legislation are much the same as those he gave in 1970, but now they are applied to the life assurance sector of the business. He said then that he wanted to keep premiums at a reasonable level and ensure by competition that adequate service was given to the public. He was talking not only

of rates but also of conditions of policies, the way claims were dealt with, and the way insurance companies, he said, altered their liabilities unilaterally. The Premier's reasons at that time related and still relate very much to defects in a minor section of the insurance industry, and I repeat that it is a minor section of the insurance industry.

More particularly, the Premier and his Party obviously have a long-standing commitment in Party policy and nothing, one way or the other, will change them from their determination to introduce, first, legislation to allow the Government office to enter the insurance field, and now to allow it to enter the life assurance field. Many questions were asked in debate in 1970, and they have been asked again now, once again with a different inference. Will business be easier to transact as a result of the establishment of an S.G.I.C. life office? Will it be free of the hassles which occur? Today's answer we can give with the benefit of experience. Some hassles occur periodically with every company, and some will occur with the S.G.I.C., regardless of whether or not it is in the life field. Obviously, clients frequently cause the difficulties. I would suggest that there is no less tendency to bureaucratic administration in S.G.I.C. than in any other Government department, and as competition has disappeared now in the third party sphere it becomes apparent that a bureaucratic attitude is creeping into S.G.I.C., and this is a very real danger whenever a monopoly situation arises. S.G.I.C. has its share of people who complain about their dealings, just as any other section of the insurance industry does, and to say that the establishment of a Government office will streamline or smooth down these difficulties is quite fallacious.

Another question being asked is whether S.G.I.C. will operate under advantages not available to other companies. Today's answer, when we look at section 17 of the principal Act, covers the situation fairly well. It sounds all right, but there has not been any tax or equivalent sum in lieu of tax payable as yet, because there has not been any profit to pay it on. The position in relation to the payment of stamp duty, audit fees, and so on, seems to have been covered, but there are still some gaps and questions which need to be answered.

The publicity for the S.G.I.C. life campaign, the five-minute film that we all saw some weeks ago, was funded by the Premier's Department, with the justification that it was funded as part of the Government's programme. It was suggested that it was quite in order for it to be funded out of the Premier's Department funds, because it was part of the Premier's Department publicity campaign. I must say a very fine line is creeping in here between what is allowable and permissible and what is not, and there is a great tendency in this House to begin to accept procedures which perhaps would not have been accepted a few years ago as being acceptable and proper.

I think it was improper of the Premier's Department to use Premier's Department funds to finance the making of a publicity film directed purely and simply at obtaining acceptance in the public mind of the entry of S.G.I.C. into the life assurance business. I am quite certain that private companies and societies would have been glad to have an equivalent advantage, and perhaps that equivalent advantage should have been allowed, just as both sides of a referendum question are put equally (hopefully) at Government expense. It makes the Premier's present-day assurance in answer to the question whether S.G.I.C. will be subject to political interference rather a tame and weak response.

Obviously, political interference by way of publicity to help get the life assurance provision through does amount to political interference. Already, the Premier has given as one of his reasons for S.G.I.C.'s entering the life field that

not all the total premiums paid in life assurance in South Australia to life offices, mutual co-operatives, or societies are invested in South Australia. Once again, he will remedy the situation. Obviously, he is dedicated to destroying the private sector and he will ensure that all premiums are invested in South Australia. If this is not a clear case of political direction, I do not know what is. Obviously, it is very desirable that funds are invested in South Australia, but we do not expect it to be a forced investment. If the Premier has to go to these lengths to persuade people to invest in South Australia, his performance and that of his Government in attracting industrial development to this State must have been fairly poor.

As we have discussed earlier today, South Australia no longer has cost advantages, it is no longer able to compete, and provisions such as workmen's compensation legislation, high pay-roll tax, and high State taxation actively keep investment out of this State. As long as that investment is kept out of this State, the Premier cannot complain that it is staying away. Obviously, South Australia is no longer attractive to outside investment, and to remedy the ill only one thing can be done: we must restore competitiveness, remove the disincentives we have outlined many times in this House, remove the high costs, and decide that we will again make South Australia an attractive place for investment. This is the proper approach, the incentive approach, and it is an approach the Premier is not prepared to adopt. He is adopting the negative compulsory approach.

Many peripheral matters have been raised in the discussions that have preceded the introduction of this Bill. Important though they may be to individuals, I do not intend to deal with them in any detail. Allegations of sharp practice have been made. I must say that much of the vindictive criticism, particularly that which has come from the Attorney-General in past months, smacks of an intolerant and unreasonable obsession rather than indicating a balanced opinion formed as a result of experience. The deplorable episode in this House where officers of a firm were attacked several times by the Attorney-General was one such case in point. Some individuals in the life assurance industry have not discharged properly their responsibilities to the industry or to the community, and the industry should perhaps have taken firmer action to control their activities. I repeat, however, these are the activities of a minority and it is not proper or wise to judge the industry as a whole on the activities of these minorities.

As a matter of principle the Liberal Party has always opposed the entry of government into a field already well covered by existing services. I hold to that opinion. Many debates and discussions have taken place on the effects of socialism and the effects of State ownership and State takeover, leading to State monopoly of various service industries in this State. We are against that. I will oppose the legislation even though I am perfectly well aware that it will pass this House. It is in the other place, the House of Review, that an important decision will have to be made. The matter of the Government's entry into the insurance field was first ventilated by the late Frank Walsh in 1966. It could be said that the people of South Australia have known the Labor Party's plan since that time, through five elections and many Bills. A decision whether or not the Government should be regarded as having a mandate to enter the life assurance field is one that the members of another place will decide for themselves.

One thing I must say is that, if legislation does pass into law and S.G.I.C. enters the life assurance field, we will, in Government, make quite certain that it operates

on exactly the same basis as do all other organisations in this field. No advantages will be allowed over other companies, mutual societies or associations. We will make quite certain of that. The Premier has said that his major reason for the Bill to provide a service to the community. I suspect that two other major reasons loom rather more largely in his thinking. First, I believe the Premier wants the money. He sees in S.G.I.C.'s entering the life assurance field a way of pulling profit and using money in certain directions. That he will dictate. He already has a commitment to compete with and try to put out of business private insurance. I am quite certain that the private insurance industry is well able to compete both financially and in serving the public, and that will be the ultimate test.

Mr. GOLDSWORTHY (Kavel): I oppose the Bill. In itself it may not seem to be a major measure. Some people consider it is but a whole range of opinions exist in relation to this legislation. It is one of a number of attempts to transfer resources from the private to the public sector in South Australia. We all know that this is standing Labor Party policy. It is in its platform and is well recognised by students of politics. Unfortunately, I do not believe it is as well recognised in the State scene as it is in the Federal scene. During his brief sojourn as the Treasurer in Canberra, Mr. Crean said during one Budget debate that now the time was ripe for the transfer of resources from the private to the public sector. They had a field day in that regard. It was a case of sowing to the wind and reaping the whirlwind.

The successful attempt by the Labor Party Federal Administration to transfer resources from the private to the public sector has put this country in the dire economic straits in which it finds itself at the present time. I see this move on the South Australian scene in precisely that light. Things are happening in South Australia, not quite so spectacularly as they occurred on the Federal scene, and resources are slowly but surely in all areas of government being transferred to the public sector. We can see it in the growth of the Public Service and in the growth of the public work force. It is a deliberate policy of this Government. The move to introduce life assurance to S.G.I.C. is another one of these moves and should be seen in that context. In the long term I firmly believe this will not be to the advantage of the taxpayers and the general public of South Australia.

There is a clear demarcation in economic policy between what is being espoused in South Australia and what is being espoused and put into effect in Canberra. The Premier talks about the idiot economic policies of Mr. Fraser. He has used that expression several times during the past month or so. Basically, the so-called idiot economic policies of Mr. Fraser are an attempt to reverse the trend of the Labor Administration. Mr. Fraser, in attempting to transfer resources from the public sector back to the private sector, is being lambasted, ridiculed and insulted by the Premier of this State for those attempts.

Mr. Slater: And by his own colleagues!

Mr. GOLDSWORTHY: He is certainly not being ridiculed by me or by many people on this side of politics. I have seen encouraging signs in the past few months that business and banking leaders have strong support for what the Fraser Administration is doing. Let there be no mistake: there is a clear divergence of opinion and policy between what Labor believes and what we on this side of politics believe. We firmly believe in the

free-enterprise system, and we believe that we will achieve a level of efficiency there that is simply not possible in Government administration.

The Premier gets away with it in South Australia at present because he is opposed to any basic responsibility for raising revenue. We see that in his attitude towards the federalism policy. He wants to be the big spender but he does not want to have overall financial responsibility for raising revenue. We have short-term funds available in South Australia, that are not available in other States, because of the railways deal. While those funds are available in South Australia he can continue on his merry path but it is my view that in the long term those funds will dry up. I do not care what Government is in office in Canberra, it will not allow a particular advantage to any State in the long term. The short-term advantages of that railways agreement will be lost to this State. I am not arguing for or against the agreement; I am merely saying that in my view that is what will happen. This transfer of resources from the private to the public sector will, in the long term, do this State much damage. Without large increases in State taxes, we will not be able to balance the expenses we are building up in the public sector. I refer to the words of the Premier at page 527 of *Hansard* of August 5, 1970, when he said:

The reason for our excluding life insurance basically was that we had an investigation made into the profitability of various forms of insurance in offices of medium size. A Government insurance office would be an office of medium size (not the smallest, but certainly not the largest), and it is not possible for an office of medium size to compete effectively in the life insurance field because, in this field particularly, the economies of scale are enormously important. If one has a large-scale office, one is able to offer competitively far better benefits than can be offered through a small office. Quite different considerations arise in relation to other forms of insurance.

The Premier therefore had an investigation carried out at that time, and he had another investigation into that matter carried out last year, so something was wrong with one of the investigations. The Premier continued:

In addition, we are not so concerned about the standard of service in the life insurance field; this is a competitive area, given the large companies operating here, and it is under the control of Commonwealth Government legislation. Different matters arise there from those relating to the rest of the business that we are interested in having a State insurance office deal with. The only reason why originally we had included life insurance was that it was considered that there was an advantage in some policy areas of having people, who were insuring with the Government insurance office, able to take up life insurance in the same office but, frankly, those advantages were minimal as against the difficulty that we would face in being able to compete adequately with the terms of life insurance offered by the larger offices. In consequence, we decided that there were advantages in excluding life insurance, and we have no intention of altering that view.

One thing is abundantly clear, and that is that one can have an investigation and that investigation can prove anything one wants it to prove, because on that occasion the Premier said that an investigation had been conducted and that there was nothing in life assurance, as far as he was concerned, and that the Government was quite firm in that view. The Premier talked about the size of the office, but of course the State Government office has collected all the motor vehicle third party business since then and that has given it some pretention to moderate size, I suppose, but overall I do not think that the State Government office has grown at an inordinately fast rate, although its work force has built up significantly.

I do not believe conditions have changed significantly since the Premier made that quite unequivocal statement

in 1970. The only thing that has changed is that he has had another investigation made. That investigation was carried out by a working party consisting mainly of public servants. From the information available to me, the working party was very short on expertise in the life assurance field. In fact, the Premier appointed several senior public servants (I think six in all) to the working party, and none of them had any particular ability in the field. From inquiries I have made, I understand that the working party did not seek any information or advice from the private sector, so (to use a term the Government would understand) it was a "closed shop" investigation on that occasion. We all know how easy it is to get a committee or working party to come up with a finding that the Government wants.

Dr. Eastick: Are you suggesting that's the best way to get the answer you want?

Mr. GOLDSWORTHY: I am saying that it is a well tried and proven method.

Dr. Eastick: I'm not disagreeing; I'm pinpointing the fact that you are right on the ball.

Mr. GOLDSWORTHY: I am saying that it is a well tried and well used Government ploy that, if the Government wants to validate something it wants to do, it sets up a committee to bring down the necessary recommendations.

Dr. Eastick: You're not suggesting they are given the answer as the terms of reference.

Mr. GOLDSWORTHY: They did not have to be intellectual geniuses to work out what the desired answer was. I understand that the General Manager of S.G.I.C. was a member of the working party, so one could be forgiven for suggesting that the working party had an axe to grind. The working party was long on public servants and people who had very little expertise or firsthand knowledge of the life assurance field, and it had virtually no consultation with people in the private sector in the life assurance field. Therefore, it is not surprising that the recommendations of the working party lined up with what the Government was looking for.

That working party paper referred to a report by Mr. J. C. H. Anderson, who I understand was an American actuary who presented a discussion paper at a seminar. His report was mentioned in glowing terms as a most significant paper that had had a great deal of influence on the working party's thinking. So the working party engaged in a fairly academic exercise. I understand that that paper was simply given at a seminar to stimulate discussion and that it contained no firm recommendations one way or the other. The working party also referred to the fact that it believed there was an unhealthy incentive in the way in which life policies are sold. I do not accept that point for a moment. If one looks at the figures freely available on the average earnings of people engaged in selling life policies competitively one can see that they probably earn less than the salaried officers in the S.G.I.C. There is an element of competition.

I suggest that these people are not desk bound from 9 till 5, and I think that in these circumstances those people would work fairly hard. To refer to that as an unhealthy incentive is quite unrealistic. An officer working in the State Government office serving at the counter has no incentive whatever. That is one of the frequent complaints made by the public about the service offered in Government instrumentalities. The thinking is abroad that once one gets a job in the Government one is set for life. I remember one small anecdote recounted to me

by the member for Chaffey when speaking of an irrigation scheme that was being installed by the Engineering and Water Supply Department at Berri.

I will recount it to illustrate the point that a similar scheme had been constructed in months by private enterprise some time ago, whereas the State Government is now putting in a scheme at Berri that has been dragging on for years. A man was sitting on a large pipe, making himself comfortable and lighting up his pipe. Peter Arnold said, "When do you retire?" He said, "I retired on the day I got on the Government pay-roll." I realise that that anecdote is not fair to all Government employees, but that sort of thing is certainly viewed by the public with much concern. To suggest that there is an unhealthy incentive in selling life policies by the commission method is, I believe, completely fallacious. I do not place much store on the working party's report, nor on the reports of committees set up by the Government for particular purposes.

The Premier almost had a fit in the House about a week ago when I stated that I did not believe that competition would be fair. I repeat that claim, because I do not believe for a minute that competition by the commission in this field or in other fields, or the nature of the exercise, can be fair competition. In citing a first example, I repeat what I said then, namely, that the so-called information film labelled a Government information film, shown on commercial television at taxpayers' expense about three weeks ago on a Sunday evening, simply extolled the virtues of the commission. One got the impression that the Premier was a fairly important person in this State's affairs, because the film was also designed to sell the Government. The whole exercise was carried out at taxpayers' expense. A significant feature of that screening was that it happened to coincide with the introduction of the Bill in Parliament. The Premier tried to laugh that off or brush it aside in the House, but that is a clear indication of unfair competition.

Where is that kind of publicity available to the private sector? It would have to pay for its publicity, whereas the taxpayers are paying directly for the publicity of the commission. For the Premier to say that there is fair competition is absolute nonsense. I will not repeat the points I raised in the debate earlier on which the Premier seized and which he tried to answer. They have been refuted, I believe, by members of the industry. However, I will make other points that I did not make on that occasion, as follows:

It is believed that the Government Printer regularly submits quotes for S.G.I.C. for printing that are so low that they represent nothing less than a direct subsidy. The S.G.I.C., in concert with the Tourism, Recreation and Sport Department, attempted to corner a section of the personal accident insurance market by a scheme involving the department's subsidising 50 per cent of the premium for volunteer workers. There will be unlimited potential for this sort of unfair marketing activity in life insurance. It appears that all public hospitals allow the S.G.I.C. a 20 per cent discount off accounts. This is done under the guise of being for prompt payment and bulk billing, although the S.G.I.C. is allowed the normal 30-day payment period. It is just another example of a Government department subsidising the S.G.I.C.

Regarding auditing, when speaking in the House a week or two ago, the Premier claimed that the commission paid audit fees comparable to those paid by the private sector, but we have not been able to find out what they are. They are not available. It is all very well for him to make these bland claims in the House but, when we try to track them down, the information is not available. It is all very well for him to have a fit of histrionics in the House and claim that the insurance companies are telling lies but, when we try to verify his statements, we cannot do so,

because the evidence is not there. I should like to know what audit fees the commission pays. Another point I make is as follows:

The South Australian Government Insurance Commission is not subject to the Insurance Act. This eliminates the need to prepare and submit the various returns required of private offices.

I could go on and make additional points. Although I do not wish to canvass these matters at any great length, I wish to draw the attention of the House to an editorial that appeared in the *Advertiser* on January 21, as follows:

It is impossible not to challenge Labor's motives. There is no discernible public demand for a Government life assurance service. Indeed, 12 months ago, precisely the contrary wish was manifest. No detailed evidence of any need for Government competition in this already intensely competitive field has been produced. Nor will the public be easily persuaded that any Government corporation and its employees can be inherently more efficient than—or even as efficient as—private enterprise.

That is my firm belief. There is a clear division of philosophical approach between the Liberal Party and the Labor Party on this matter and a clear difference of approach between what we believe should be undertaken by the private sector and what we believe should be undertaken by the public sector. For those reasons, I do not support the Bill.

Mr. JENNINGS (Ross Smith): I support the Bill. Recently, I reread the debate on this matter in 1974. If the names of the speakers had been omitted from *Hansard*, I would not have had the slightest difficulty in recognising all of them. All the speeches were indelibly marked with the members' own idiosyncrasies, yet they were strangely all quite similar.

Mr. Evans: Did you speak at that time?

Mr. JENNINGS: No. I cannot get the honourable member's point. All Opposition members harped on the fact that most life insurance companies were mutual so that the bonuses earned were shared by the policy-holders. Be that as it may, the fact is that the directors have huge sums at their disposal, and in every case they are also the directors of many other huge financial and industrial companies. If this means that they are competent, it also means that they are financial dictators in their own right, their policy-holders having no say in the investment of their funds. The real position is that by no means are most mutual companies mutual, but a State company would be really mutual, because its shareholders would be the people of the State.

Mr. Mathwin: And the Government.

Mr. JENNINGS: The people of the State. We have heard so much about this socialist grab that is always usual when private enterprises are being entered into by the Government. It is clear that the Opposition believes that the Government should, as a matter of course, run undertakings which, by their nature, cannot be profitable, but it should not take part in profitable undertakings. That is one reason why so many Government undertakings do not make a profit and, consequently, are regarded as inefficient. The real point here is that, if these enterprises were of a nature that they could make a profit, they would have been operated by private enterprises, and it would be called a socialist grab if the Government intervened. Many of the undertakings to which I have referred were established by Conservative Governments so that taxpayers would have to bear the burden for things such as railways and so on, which by their nature could not be operated other than at a loss, in order to provide a service to graziers and the like, yet most of

such people are anti-socialists. The member for Mallee led the previous debate on this issue in 1974, and did a remarkably good job from his point of view, although it was a rather bigoted and narrow-minded point of view.

Mr. Nankivell: Don't be uncharitable.

Mr. JENNINGS: I am not being uncharitable: I am a friend of the member for Mallee. However, like many of his colleagues he referred to the nationalisation of life assurance, although no such thing was intended then or is intended now. Those people who profess to support competition do not like genuine competition from a Government enterprise. We all remember the great fuss when Trans-Australia Airlines was established. It was said that it would not be safe to fly in a Government aircraft because they would not get proper maintenance so that it would be dangerous. Soon after T.A.A. was established, A.N.A., as it then was, had two disastrous air crashes. We have not heard anything since about T.A.A., which is now one of the finest airlines in the world, as is Qantas, the Government-owned oversea airline which has a safety record above that of everyone else. Opposition members do not refer to the truth when they speak about third party insurance. That is now almost the exclusive preserve of the State Government Insurance Commission, but only because it has been relinquished by private companies because it was not a paying proposition.

Mr. Nankivell: It hooked the premiums up when it became a monopoly, committee or no committee.

Mr. JENNINGS: The capitalist motto is to take with one hand but not give with the other. The Premier has admitted that before 1974, in a discussion with the General Manager of S.G.I.C., a suggestion was made that it should enter the life assurance field. The commission accepted the recommendation and the Premier included it in his policy speech (which was not played down in any way), so it is quite clear that the Labor Party had a mandate for the legislation introduced in 1974 but rejected by the Upper House, in which a majority of members did not have any democratic right to be voting on the matter at all, because they represented majority interests and also minority interests that did not coincide with the interests of the State. That situation is to a large extent still existent, but not nearly to the same degree as it was, and after the next election it will not exist at all. In 1974, the Premier read to this House a statement from the Chairman of S.G.I.C., Mr. Lance Milne, as follows:

You will recall that Mr. P. D. C. Stratford, Public Actuary, made a submission to the honourable the Treasurer dated April 19, 1973, setting out his thoughts on the establishment of a Government life assurance office. That memorandum was sent to the commission for comment and the commission replied in a letter to the honourable the Treasurer dated July 11, 1973, that the matter was being investigated with the help of the Government insurance offices of New South Wales and Queensland. In a subsequent discussion which I had with the Minister, he indicated that he would like the commission to be in a position to establish a Government life office in the near future. It was subsequently decided that the General Manager and I should visit the Government insurance offices referred to to obtain their opinion as to how the commission should proceed, taking advantage of their experience in this field.

At the State Government Insurance Office (Queensland) we had the opportunity of discussion with the Chairman, the General Manager, the Actuary and the Manager-Life. At the Government Insurance Office of New South Wales, we spoke to the General Manager and the Actuary, the Assistant General Manager in charge of the life office. As a result of these discussions, we were able to form

firm opinions on a number of matters raised by Mr. Stratford in his memorandum of April 19, 1973, and to establish fairly clear alternatives for others.

- (1) There was no doubt in the minds of the officers of both Government Insurance Offices that the life office in South Australia should be part of the existing commission and that there should be one General Manager for both general and life insurances. They illustrated this from their own experience which had proved very satisfactory and the experience of the insurance offices in private sector, where those companies which were writing both general and life insurance normally did so in the same top management.
- (2) There are apparently a number of advantages in combining both general and life insurance in the one organisation. For example, the accounting, marketing, investment and actuarial services would be shared by both general and life sections of the organisation. This facilitates a number of economies and increases the co-operation between the life and general field staff who can work more closely together.
- (3) While the organisation of the general and life sections would be merged, the life funds would be completely separate. The treatment of premium from life assurance is quite different from that of general insurance; therefore, the accounting records would need to be entirely separate, but administered by the one accounting department.
- (4) On the life side, the commission would need to have the authority to invest wherever it thought fit. It was clear from the information obtained in New South Wales and Queensland that investing only in trustees' investments which are predominantly fixed interest investments would not keep pace with inflation and thus would not enable the benefits from the Government life office to be comparable with competition from the private sector.
- (5) The key to the setting up of a life office is the actuary or actuarial services. Both New South Wales and Queensland recommended that the ideal situation would be to engage an actuary full time for the commission, preferably with a knowledge of life assurance.

For the first year his duties would be taken up entirely with setting up the life organisation, but gradually his services would be available on the general insurance side as well. It appeared that the commission should aim, first, at engaging its own actuary from the beginning; secondly, if this proves not to be practicable, then the commission should engage the services of a firm of consulting actuaries with experience in setting up a life office. There are such firms in existence in Australia and we were given the names of three of them.

- (6) It was reasonably clear that it would take in the vicinity of 10 years to establish a Government life office on an economic basis, depending on the public reaction towards it. If the public's attitude were favourable, it might take less than 10 years, but if there were public resistance, then it could well take a little longer.
- (7) Unlike the establishment of a general insurance office, guaranteed by the Government where no capital was required, it was made clear that a considerable amount of money would need to be provided by the Government for the establishing of a life office for a period of up to 10 years. While the New South Wales and Queensland offices were not familiar with the size of the likely market in South Australia, they both considered that the amount necessary could add something in the vicinity of \$4 000 000 to \$5 000 000. This would not be required all at once, but would probably be in the vicinity of \$1 000 000 for the first year or two, reducing to nil in about 10 years. They stress that this would depend on the rate at which the life office grew. The faster the business grew, the more money would be required from the Government in the first five years or so.
- (8) We were advised that the commission should make a feasibility study and that, as part of it, we

should make a market survey in an attempt to estimate the likely life business which would come to the commission.

- (9) We discussed the question of field staff in some detail. It was considered that we would probably need about 10 life salesmen initially, increasing by three or four each year until the whole metropolitan area and probably the State was covered. The question of commission and other remuneration and allowances was discussed and that is the subject of a separate report from the General Manager. There is a considerable difference between the arrangements in New South Wales and Queensland State life offices and various companies in the private sector; therefore, this matter will need very careful consideration. Consequently, it would not be appropriate to try to make a recommendation at this early stage . . .
- (10) It is estimated that from the time a decision is made for a State Government life assurance office to be established, it would take approximately 12 months to achieve.

We therefore recommend, when the necessary legislation is passed and the commission is asked to establish a State Government assurance office, that we proceed as follows:

- (a) That the State Government life assurance office be created under the existing commission with the same General Manager.
- (b) That the commission engage its own actuary if possible but, if one is not available, that the commission engage the services of a firm of consulting actuaries during the setting-up period.
- (c) That a copy of this report or a separate report containing the information herein, be made available to the Minister as soon as possible.

At page 2191 of *Hansard* of February 26, 1974, a letter from the General Manager of S.G.I.C. to the Parliamentary Counsel is reproduced. It is as follows:

Dear Mr. Daugherty,
Re: State Government Insurance Commission Act Amendment Bill, 1974.

Thank you for your letter of February 15, 1974, and I would advise having discussed the draft Bill with the Chairman of the commission, Mr. K. L. Milne, which meets with the commission's requirements.

Justification for a Government life office can be made on three principal grounds:

- (i) There will be an increasing tendency on the part of insurers to offer a complete service—general and life—and an office which limits itself to general insurance business could well restrict its coverage of the market.
- (ii) Experience throughout Australia has shown that a significant proportion of the population elects to transact business, not only insurance, with statutory corporations in preference to the private sector.

What do members opposite think about that? It continues:

- (iii) The life fund of a Government office will in time generate a significant level of investment funds which can be applied towards development of the particular State. By its very nature the concept of life insurance under which a level premium is paid for an increasing risk inevitably results in an accumulation of policy liabilities, the funds from which become available for investment in both Government and private sectors.

In addition to the above, the many clients of the commission have repeatedly asked when will the commission be entering the life field. The reports to the commission of its salesmen is that members of the public want the commission in the life assurance field: they want to be able to place the whole of their insurance with one office. There is every indication that existing clients would favour a Government life office being established.

Yours sincerely,

P. C. Gillen (General Manager)

Today the Deputy Leader claimed that people did not want the S.G.I.C. to enter the life assurance field. As recently as March 23 this year the *Advertiser* published the results

of a poll into this question. Despite what people may have thought previously, the result of the poll shows that the majority of South Australians think that the S.G.I.C. should enter the life assurance field. The survey showed that 49.3 per cent of those interviewed believed that S.G.I.C. should enter the life assurance field and that 13 per cent of those interviewed thought that it should not. That is not a bad result. The "don't know" component was 17.7 per cent, and was higher among women. The survey was carried out by Peter Gardner and Associates, an Adelaide-based marketing and research group. I do not mind how those figures are used; still I make it that 49.3 per cent is a lot more than 13 per cent.

Mr. Evans: So it is, and the figures don't make up 100 per cent.

Mr. JENNINGS: There are many in between, but they are the "don't knows" and such people. It is clear that honourable gentlemen opposite have been hoist with their own petard. Mr. Renton has been to see us. He saw me, by appointment, and he was polite and I hope that I was polite to him. Presumably, he has gone back to Melbourne, whence he came. He suggested perhaps to the Life Offices Association of Australia to write to us and to say, "If you would like to discuss this matter, please contact me at 51 0241." That is the Chairman, whose name is indecipherable. He may want to put it on to the Deputy Chairman, Mr. M. Frost. He does not mind foisting the job on to Mr. Frost, but presumably he wants to avoid it himself, and I do not blame him.

I sincerely believe that the Government should enter the life assurance field. I have thought this for many years and I sincerely hope that, as a result of this legislation, we will be entering the life assurance field not as a monopoly, as has been suggested by some members opposite, but in honest and genuine competition with other offices, and they will know we are competing with them, too.

The SPEAKER: Before calling on the member for Torrens, I should like to make an announcement. The Government Printer has informed me that, because of the power shortage, he will not be able to provide a full service in relation to today's proceedings. As a result, Ministers' offices, Government departments, and honourable members will not receive galley "pulls", although the usual "cut-outs" will be provided.

Mr. COUMBE (Torrens): I do not favour this Bill, and I am not going to support it. I make that clear at the start. Today, we have had the unusual experience of hearing the member for Ross Smith speak. It was quite refreshing to hear him speak, and I think I echo the comment of all members of the House. It is always refreshing to see him rise. The honourable member can be quite entertaining at times, but I am afraid that today he was neither refreshing nor entertaining, because he proceeded to bore the House stiff by reading out huge slabs of *Hansard* and reports of considerable length, and I began to wonder who had prepared this for him. I suppose that, in his own opinion, it proved some point, whatever it may have been. It was interesting to hear the honourable member being the first Government speaker on this subject after the Premier, and I hope he speaks again on more measures in this House. The more he speaks the better it will be for the Opposition. I listened to the points he made, some of which had been raised previously, and that still has not altered my viewpoint. I have studied at length a large volume of material provided both by the protagonists and the antagonists of this

measure. I listened with much interest to the Premier's explanation and his display of what I would regard as petulance and his agitated histrionics in delivering himself of his explanation.

Mr. Boundy: It was almost theatrical.

Mr. COUMBE: Quite theatrical. I was called from the Chamber to answer the telephone whilst the Premier was speaking. I was in an adjoining interviewing room with two doors closed between the Chamber and the room, but I could still hear the Premier berating the air and members of the House. That would have been an occasion for the introduction of the noise level legislation in this House. When a Bill of this nature is introduced, I like to listen to the explanations being given on both sides, and I like to read them in *Hansard* the next day. This I did. The Premier went to rather unusual lengths in his second reading explanation, dealing in rather exhaustive detail with claims made by opponents of what I shall call his pet measure. This immediately cast up some questions in my mind. Why did the Premier adopt this course of explaining in such detail the claims made against this Bill? The type of speech he made in moving the second reading was more like the speech reserved for the reply to the second reading debate. Was he fearful of the passage of the Bill, or was it to square off with what he had said, as recorded in *Hansard*, on previous occasions in 1966 and 1970, when he was not in favour of life assurance for S.G.I.C. It is categorically in black and white for members to read in *Hansard*. He changed his mind in 1974, and has changed it again.

Mr. Gunn: That's not unusual for the Premier.

Mr. COUMBE: The Premier has been described as a man of many passions, but I would say he is also a man for all seasons. He might have been squaring off for what he had said previously. I will admit that he can cook things up better than I can. The material published by the insurance industry (and I think other members have received some of this material) contained some telling and cogent arguments. Equally, I want to say that some of the statements made, in my opinion, contained exaggerated claims that did not stand up to close scrutiny; in fact, there are some I do not accept. Some claims were made which the Premier, in his exhaustive explanation, seemed to gloss over completely.

I will not canvass at this stage all the points and counter-arguments made by the Premier, by the insurance industry, and by speakers who have preceded me. Rather, I should like to look at the Bill in a different way altogether. Quite apart from all the arguments advanced so far on this matter, I believe there is inherent in the Bill a deeper fundamental principle, to which I object basically, quite apart from all the claims made publicly. I am discarding all the public claims that have been made about the pros and cons of this Bill. I am looking at it as a matter of principle. Having gone through all the material and listened to the speeches, I believe it comes down to a matter of principle. As a Liberal (and I am proud to be a Liberal), on philosophical grounds I support private enterprise and I am not frightened to say so.

Mr. Keneally: What about your colleagues in the other States? How do you justify their actions?

The SPEAKER: Order! The honourable member for Torrens has the floor.

Mr. COUMBE: The answer to the interjection is quite simple. My colleagues in the Liberal Party in the other States are of the same view as I am, and opposed the setting up of Government insurance offices when they were in

Opposition and when they were introduced by a Labor Government. The answer to the argument of the member for Stuart is that one cannot unscramble the eggs. I support the principle of private enterprise. It is the system that takes the risk and it is the system that employs most people in our work force. Australia is suffering today from the fact that there are so many people in Government or semi-government employment. I saw a cartoon recently in which a man was appealing for help because he had to support his wife, his two kids and two bureaucrats. That is the position we are fast reaching.

Mr. Keneally: Who do you think pays for the directors of B.H.P.?

Mr. COUMBE: I believe the B.H.P. provides much employment in the honourable member's district.

Mr. Keneally: So does the Government.

Mr. COUMBE: I do not doubt that for a moment.

Mr. Keneally: What are you talking about?

Mr. COUMBE: If the honourable member listens to me, I am coming to the question whether or not one should expand the public sector, and that is the nub of the whole Bill. It is a question of public ownership or private ownership. The Bill revolves around the point whether the Government should increase public ownership or whether we as Liberals should extol the virtues and try to support the principle of private ownership. We all know that the Australian Labor Party has publicly stated (as is its right) that one of its principles is that of nationalising certain industries, including insurance and the means of exchange. This has been stated many times. I expect that the member for Stuart, being a supporter and member of the A.L.P. would support that, but equally it is my right to oppose it as a Liberal and I will oppose it.

Mr. Keneally: Not as a Liberal, because Liberals do not oppose it; they live in a mixed economy.

Mr. COUMBE: The honourable member is getting mixed up with his expertise on agricultural matters. We know that the A.L.P. advocates the transfer of financial transactions from the private sector to the public sector. It is a fundamental philosophy of the A.L.P.

Mr. Mathwin: The member for Ross Smith just said so.

Mr. COUMBE: Yes. From the plethora of statements he read the member made that point clearly.

Mr. Mathwin: The member for Stuart will probably say the same thing.

Mr. COUMBE: He might have to. The member for Ross Smith mentioned the railways. We all know that certain enterprises in the community are better catered for publicly, whereas others are better catered for privately. No-one in Australia cavils at the question of the railways being under national ownership. In the United States of America and in Canada, where the railways were established by private funding, the railways are now publicly owned and the losses are carried by the public. There are areas where it is in the interests of the community that a certain amount of public ownership should occur, just as there are areas where I believe private ownership is more suitable.

The best example I can give is the case of the Electricity Trust of South Australia. A Bill was introduced by a Liberal Government led by Sir Thomas Playford to alter the then Adelaide Electric Supply Company to form the Electricity Trust of South Australia. At that time the Adelaide Electric Supply Company had a monopoly on the supply of electricity to the metropolitan area but it could not expand and cope with the demands we now expect the Electricity Trust of South Australia to meet. Where there

are interests involved for the betterment of the community and it can be shown that that is where the advantage lies, the Liberal Party is not frightened to proceed in the way that Sir Thomas Playford proceeded when he set up the Electricity Trust of South Australia. I cite that as an example because it was mentioned obliquely in passing by the member for Ross Smith.

Mr. Keneally: I thought you were a supporter of private enterprise.

Mr. COUMBE: I am, but I thought I had made clear to the honourable member that there are two sides to every argument. If it were not for private enterprise, which provides the majority of work in this State, the country would be in a bad way.

I believe the public is being adequately served by the insurance offices. The claim has been made by the Premier that the public is not being adequately served, but he has not explained where the public is not being adequately served. What facilities will S.G.I.C. provide that are not presently being provided by other insurance companies? I cannot see what extra, new or better facilities will be provided.

Dr. Tonkin: That is the point. He's talking about over-the-counter service as being better.

Mr. COUMBE: Exactly. The Premier went to some pains in the second reading explanation and on a former occasion when he talked about this matter to talk about over-the-counter sales. He did not say much about service. I suppose all members of Parliament have bought assurance at some time or other. Any prudent man, especially a family man, would take out an assurance cover on behalf of his family, if not for himself. I suppose I have bought the average amount, as would members on both sides of the House. I have never bought or been sold policies over the counter. The occasions on which I have bought policies have always been by appointment, either at my home or an evening or at my office, made by me and at my convenience. On most occasions it took two or three visits; certainly I would never buy assurance on the first visit, which may take an hour or longer. For the argument to be put forward that over-the-counter sales will be made makes me think that S.G.I.C. itself may be in some trouble. More importantly, the policy-holders who buy insurance from S.G.I.C. may themselves rue this method of quick turnover. It is almost like supermarket sales; that is what it is coming to.

That is all I want to deal with in detail, and I come back to the fact that in my comments I have attacked this measure mainly on the question of principle. To me the proposal in the Bill is anathema to the principles I stand for and have always stood for in this Parliament. I make clear that I am not swayed by material that has been supplied to me. In fact, I have not used that material in this debate, as members will appreciate. It is on philosophical grounds that I oppose this Bill, and I will continue to oppose it as I have in the past.

The Hon. G. T. VIRGO (Minister of Transport): I rise to support this Bill, first, because it is a privilege to do so, but principally because I want to put the record straight so that no member will be under any misapprehension regarding the third party aspect. References have been made today that were both unkind and untrue. In fact, if they were made outside of this place I imagine that Mr. Justice Sangster would have no hesitation in taking legal action. It is a pity that this place is used for that sort of comment.

Mr. Venning: Rubbish!

The Hon. G. T. VIRGO: The member for Rocky River may think that, because the statements made are, in fact, rubbish, for they malign people and are made under the privileges of this House. Let us be rational and follow this matter through. I hope we will then have no more of the snide comments regarding the level of premiums, and stating that the charter of the insurance companies was withdrawn by the Government.

Mr. Becker: I could name someone.

The Hon. G. T. VIRGO: I would like the honourable member to name someone.

Mr. Becker: You'd pull in your head very smartly then, wouldn't you?

The Hon. G. T. VIRGO: I have all the documentation here, and if the honourable member will keep quiet for a few minutes I will take him through the whole process step by step from when we first introduced the scheme to assist the motorist and at the same time assist the private insurance companies by having the facilities made available at the office of the Registrar of Motor Vehicles, so that people no longer had to run around to their private insurance company to get their certificate of insurance and then take that certificate to the Registrar of Motor Vehicles to get the vehicle registered. I think the honourable member would recall that it was illegal for the Registrar to register a vehicle without first having the certificate of third party insurance.

At least we have agreement on that point and I am grateful for that. On January 1, 1972, I think, the new arrangement came into operation and people no longer had to run around as previously had been the case. The whole payment was made at the Adelaide Railway Station building because in those days we had no branch offices, either. The advent of the branch office has simply meant that the facilities provided were expanded to the branches as they opened. The procedure at the Registrar's office was that the person registering a vehicle was given an opportunity on the application form to name the insurance company with which he wished to insure. A list was provided showing the names of all the approved insurers. I presume that members understand that an approved insurer simply meant a company that had received that approval by virtue of the provisions of the Act. That approval was given on the basis of the company's ability to meet claims so, hopefully, there would not be too many people who would not have claims met because of insurance companies folding up.

Where the person registering the vehicle failed to nominate the insurance company an instruction was issued by the Registrar of Motor Vehicles to counter staff that they were to rotate the applications amongst all of the approved insurers. Clearly, if the State Government had wished to do as the member for Hanson claimed, it would have simply said that any person who did not nominate a company must be insured by S.G.I.C. The Government did not do that, so the first point I make is that there is abundant evidence to show, with what I have just said, that the 34 or 35 private insurance companies who were then approved insurance companies were being treated on an equal basis with S.G.I.C. There was no favouritism one way or the other.

The next thing that happened was that I received a report from the Registrar that the grapevine had told him that the private insurance companies were meeting and discussing their position in the area of third party insurance. That is only hearsay and may not have been

correct, but it is very significant that about 30 letters all came in, all dated in the latter part of March, 1974. I will read two of them. One letter stated:

In accordance with Part IV, section 101 (5) (a) of the Motor Vehicles Act, 1959-1967 we give notice—
note that “we give notice”—

to the Minister of Roads and Transport that we wish to withdraw as an approved compulsory third party insurer as from July 1, 1974.

How the member for Hanson can say that the Government has deprived them of their franchise is beyond reason. Another letter states:

Pursuant to the provisions of section 101 subsection (5) (a) of the Motor Vehicles Act, as amended, application is now made for withdrawal of the approval given to this company as an insurer under Part IV of the said Act with effect from June 30, 1974.

I have a great swag of these letters, from which I have taken two simply to give an indication. If any honourable member would like to see the whole file, it is in my office. Any member, including the member for Hanson, is free to inspect all the letters.

Mr. Gunn: Why not table them?

The Hon. G. T. VIRGO: I shall be pleased to table these copies if the honourable member is interested in reading them. Furthermore, I will table a minute from the Registrar.

Mr. Gunn: What's that got to do with life assurance?

The Hon. G. T. VIRGO: It has much to do with life assurance, because the honourable member was interjecting and drawing unfair and untrue inferences about the level of premiums following the withdrawal of the private companies. I am pleased that he has returned to the Chamber, because I will deal with that matter later. I will now deal with the notice served on us by the private insurance companies stating that they were no longer prepared to carry third party insurance. I will read in part what the Registrar's minute states (if the honourable member would like to see the whole of the minute, he is more than welcome to see it). I shall omit certain parts of the minute, because names of companies are mentioned, and I do not want them to be made public. The minute states, in part:

As I indicated to you during one of our recent discussions, I anticipated—

the grapevine he was telling me about—

that we would receive applications from some of the 35 approved insurers. It has now transpired that the number of applications has far exceeded expectations. Indeed, many managers of companies did not know until almost the last moment that they would have to apply for withdrawal. The withdrawal earlier by one or two large insurers was followed by others, and then a last-minute avalanche of applications. The result is that 31 approved insurers named in the enclosed list of 35 have applied for withdrawal as from July 1, 1974.

The Registrar went on to recommend to me that I had no alternative but to comply with the requests. I have a list of the companies, and I will deal with the remaining four companies so that it is clear what happened.

Mr. Gunn: It has no relevance to the matter we are talking about.

The Hon. G. T. VIRGO: I am sorry for that, but it happens to have great relevance to the commission and to the campaigns being waged by certain people in society against the commission and alleging that it was under my direction that the charter of these companies was withdrawn for third party purposes. I hope that I have demonstrated, even to the member for Eyre, that that is a complete lie.

Members interjecting:

The SPEAKER: Order! Far too much interjecting is taking place.

The Hon. G. T. VIRGO: Four companies remained as approved insurers, one being the commission. An arrangement existed whereby, if any approved insurer went to the wall, the remaining companies picked up the responsibility for any claims. So that, when there were the 35 insurers, if any one of those went to the wall, the remaining 34 (or whatever the number was) would collectively share any claims against the company that had gone to the wall. When we reached the situation of having only four insurance companies, we were in a difficult position, particularly as we were informed that two of those insurance companies had already had their charters for workers' compensation in New South Wales withdrawn. The net effect of this would have been that, if either of those two companies, or both of them, had gone to the wall, the whole of the claims would have been borne by the commission and the one remaining insurance company.

Mr. Gunn: Lumleys?

The Hon. G. T. VIRGO: I do not want to mention any names.

Mr. Millhouse: Everyone knows it.

The Hon. G. T. VIRGO: If everyone knows it, I don't need to mention names. It was unfair to expect the commission and that company to carry the burden of two firms that had had their charters withdrawn by the Liberal Government of New South Wales. Accordingly, their approval as approved insurers was withdrawn concurrently with the withdrawal requested by the other 31 companies.

Dr. Eastick: Was there a stated specific reason for the withdrawal of their charters?

The Hon. G. T. VIRGO: There is no requirement for that. I turn now to the point raised by the member for Mallee, who said that it was significant that the moment the commission had the field to itself the level of premiums soared dramatically—“rocketed” I think was the term he used.

Mr. Nankivell: I won't withdraw that, either.

The Hon. G. T. VIRGO: I do not ask for a withdrawal, but the honourable member should make the same comments outside and let Mr. Justice Sangster deal with him. We had a committee set up under the terms of the Motor Vehicles Act, and if the honourable member cares to look at it he will see that this committee is established for the purpose of setting the premiums for third party insurance. They are not set by the Government or by the Minister. The Minister, Government, or Cabinet cannot interfere in the matter. The premiums are set by the Third Party Premiums Committee, established by this Parliament, with powers of a Royal Commission. I think it unkind, unfair and indecent to reflect on the committee as the honourable member and other members have done.

Mr. Nankivell: You're a great one to talk about that; it's your speciality. Get on to life assurance.

The Hon. G. T. VIRGO: The honourable member wants me to deal with life assurance. I do not know why he has been referring to third party insurance in his interjections if he wants me to do that.

Mr. Nankivell: I made one simple comment.

The Hon. G. T. VIRGO: It must have had relevance, or the honourable member would not have made even one simple comment.

Mr. Nankivell: It has relevance.

The Hon. G. T. VIRGO: It is typical of some of the comments made publicly and it is typical of the campaign

waged on the radio until I put the truth before listeners in the way in which I have done today. It is worthy to note that the Third Party Premiums Committee still has on it a member from the private insurance area, despite the fact that not one private insurer is still in the field.

Mr. Venning: That doesn't mean a thing.

The Hon. G. T. VIRGO: The point the honourable member is making brings me back to the point made by the member for Torrens, who said that the public was being adequately served by the present private insurance companies in the life area and that there ought not to be an intrusion, because private enterprise is adequately serving. When would the honourable member nominate as an appropriate time? When some of the private insurance companies will not write policies, as they have refused to do for third party insurance? Is that the proper time for the Government to enter this field? Is it a matter of socialising losses and capitalising profits: is that the philosophy of the Opposition? That is the weakness in the case stated by the Opposition, and its case is so weak that its members have had to go off on tangents all the time. In fact, the Leader should go back to sleep, because he would be better off than sitting in the House yawning his head off.

Members interjecting:

Mr. Mathwin: You haven't got on to life policies yet.

The SPEAKER: Order! The honourable member for Glenelg is out of order.

The Hon. G. T. VIRGO: I should like to obtain an opinion from Opposition members on one other aspect. I was anxiously waiting to hear the member for Torrens spell out in more detail one of his comments. He acknowledged that there were certain industries that were best suited for public ownership and control, but he claimed that there were certain other industries that were best suited for private ownership and control.

Mr. Venning: That's right.

The Hon. G. T. VIRGO: I am pleased to hear the honourable member agree, because he is a member of the board of one of the socialist organisations in South Australia, South Australian Co-operative Bulk Handling Limited. Opposition members are great exponents of the private enterprise system, which they say is the only thing that will work. I wonder whether one Opposition member would spell out the criteria that determines that an activity, an industry, or whatever is best suited for private enterprise as a monopoly, or best suited for public ownership as a monopoly, or, alternatively, to have a foot in both camps. In other words, the public sector and the private sector can both participate as partners, if you like, competing one against the other, as occurs in the airline industry. Is that wrong? Of course it is not. If it is not wrong there, why is it wrong in life assurance? Was it wrong in third party insurance and workmen's compensation for Government and private enterprise to compete actively? If it is not wrong there, why is it wrong in life assurance?

Mr. Becker: It's wrong everywhere.

The Hon. G. T. VIRGO: That is the level of comment one would expect from the Opposition, simply because its members have been told that it is wrong and they have to do what they are told.

Mr. Venning: What about the Government having a go at growing wheat, and see how much it costs.

The Hon. G. T. VIRGO: If the honourable member can explain how he can, with his philosophy, sit on the board of C.B.H., a socialist organisation, I shall be interested

to hear his other opinions. He is a socialist at heart because he sits on that board, and it is about the only thing that may possibly save him at the next election, which will not be his day. The position has been stated clearly enough: many red herrings have been dragged across the trail, and a thin case has been attempted to be stated by the Opposition.

Mr. Vandeppeer: There's a dead herring moving about at present.

The Hon. G. T. VIRGO: As the honourable member will not be with us much longer, we need not worry about him. However, I am sure that, if he applied to S.G.I.C. in the not too distant future, it would be willing to take out a policy on his life.

Dr. EASTICK (Light): I come back to the subject before the House: that is, life assurance. I find this an abhorrent piece of legislation philosophically, and, as the member for Torrens did, I point out that it is not the type of legislation that any State should place on the Statute Book for its people, notwithstanding that it exists in other places and that people of my political philosophy have had some advantage from it since it was on the Statute Book when they came into office. No legislation in other States in this field was introduced by political Parties of the same or near persuasion as that which I represent, however.

Mr. Keneally: That's more to their shame.

Dr. EASTICK: That is an inane comment. It was a matter in great part of what is to be done with the egg when it is so scrambled yet you have to live with it. Government members will appreciate the situation, because the legislation was part and parcel of the facts of life when those people came into office. My other point is that, whilst I find this legislation abhorrent, I find it doubly so (if possible) because it is legislation by threat. Members opposite will know what I mean. There has been much sabre rattling, and many comments such as, "Pass this in another place or else." We have had that situation before, and Government members will recall that the previous State election was fought at a much earlier time than had been expected because the Government saw fit to try to threaten members sitting on this side (and regrettably who are still on this side) by saying, "Pass this or else."

I was thrilled at that time, and appreciated the fact that members on this side had said to the Government, "If that is your wish, here is the gauntlet: pick it up if you will," and that members in another place also accepted the same position. That was legislation by threat. That sort of situation, if one is not too politically naive, is a distinct possibility at any time in the political sphere. Any Party, Labor or Liberal, that proceeds with this sort of legislation by threat will eventually pay the price. What price are we really likely to pay for passing this legislation? We have had much legislation pass through this House during the seven years that I have been fortunate enough to represent people in one sector of the community, and much of that legislation has been, in the opinion of the Minister or the Premier, earth-shattering, trendy, and significant: they have used many adjectives, but what has been the ultimate result? Much of that legislation has caused us to lose opportunities as a State, to export our jobs, to put a considerably greater cost on the community, and to escalate the problems that the community must bear.

I am genuinely concerned about this measure, which seeks to introduce a method of selling life assurance which is not tried and which, in my opinion, is likely if passed

to disadvantage gravely many people in South Australia in future. Insurance is offered in a multiplicity of forms and is a complicated business. To people genuinely involved in the business, it is a profession. It is not a business that calls for a counter-jumper (and I do not want it thought that I use that term disparagingly against people who simply sell across the counter), but selling life assurance does not lend itself to a person going to a slot, taking out a piece of paper, obtaining a signature, and putting the paper somewhere further along the line. It is a business that requires much thought. People involved in the business should consider all the facets required by individuals when taking out policies.

Personally, when I have thought that I wanted a particular type of insurance, I have found several times, eventually to the benefit of my family and myself, that what I thought I wanted would not really have achieved what I had conjectured. The policy I required needed much discussion and, in most cases, was a situation as outlined by the member for Torrens: before I obtained the best policy for my needs, I needed two or three discussions with the representative.

Mr. Keneally: You're pretty devious.

Dr. EASTICK: I will not enter into a discussion on that, even if I should, because it is an inane interjection. I do not apologise for saying "inane" twice about the same member in five minutes. With the change of family or business circumstances, the type of insurance required by a person varies, and what one is attempting to achieve (as far as the method of approach is concerned) also varies. It is the end result that is important and, in many instances, the result is not the most lucrative or the best result either to the person selling the policy or to the person buying it. Such a policy might receive the desired result when a crisis is likely to arise or when some other situation is created.

To explain what I mean, I will put my own position on the line. As a person who was self-employed and could not, under existing legislation at the time, benefit from a superannuation fund for the long-term benefit of my wife and children, I took out life assurance, but how wrong I was to do so. It was far better, as was pointed out after a series of discussions, to take out a form of insurance that provided an endowment benefit if I was to die at an early age. At that time the policy would provide larger funds for my wife and family at a time that was most critical for them. The end result is that my wife and family would receive a much lesser sum from the policy but at a critical time in their life they would have been provided with the greatest cover. I took out that policy only after lengthy discussions had shown that that was the best policy for my circumstances.

The business of walking into a counter and asking for a policy out of one slot or another will not achieve that end. Unless members opposite can say that it is the Government's intention to provide several cubicles where people can make appointments to have lengthy discussions with a sales person with professional background and experience, who would plan an estate for them (because that is what is involved), the result to many people would be disastrous.

Mr. Wardle: With many dissatisfied customers.

Dr. EASTICK: Yes. Many children and widows will eventually be disadvantaged because the breadwinner was wrongly advised that there would be adequate coverage for them.

Mr. Max Brown: Are you suggesting that S.G.I.C. won't talk to clients?

Dr. EASTICK: That highlights the point I am making, and it is the first indication we have had from anyone opposite (we have certainly not had an indication from the Premier) that it is intended to make available to people in the community a proper across-the-counter service.

Mr. Max Brown: You go and insure your house with S.G.I.C.

Dr. EASTICK: I am making the point that the type of insurance with which we are dealing is not as simple as insuring a house. If any member opposite believes that, he has less intelligence than I had given him credit for. A simple sales transaction is not involved; it is a transaction that needs a proper appreciation, a dovetailing, and a consideration of what is the best short-term, medium-term and long-term benefit for the client. The Premier has promoted the fact that the S.G.I.C. sales method will be much cheaper to the public because the same number of across-the-counter sales will be achieved by a person who will not receive a commission but who will receive only a wage. Is S.G.I.C. undertaking precisely the same sort of tactic that it has undertaken in the general insurance field of going out and saying to people who are already employed in the insurance industry, "You're 18 and getting so much. If you come and work for us, we will put your age up to 19." That is exactly what has been offered to insurance assessors, who were directly approached and offered 50 per cent more than they have been achieving, together with a series of other perks. However, that is another matter. This method will load the S.G.I.C. cost factor far beyond what was suggested by the Premier and other members opposite. It is a situation that must be considered in depth to enable a better appreciation of the subject to be gained.

[Sitting suspended from 6 to 7.30 p.m.]

Dr. EASTICK: Before the adjournment, I had indicated that the selling and servicing of insurance is a professional business. There were some questions from members opposite as to statements I had made regarding the manner in which S.G.I.C. might staff the operation. We have tended to become sidetracked as to what staff members would be paid and whether they would be enticed from another place in much the same way as enticement has prevailed previously in the general insurance field.

The next point which has been made, and which is of extreme importance, is that this area of selling involves what might be termed out-of-hours proceedings. It is not an activity which can be slotted into a 9 to 5 daily routine, but a situation that demands an opportunity for sometimes a number of members of the family to be together for discussion, and not infrequently the discussion has to take place privately, at home in the evening. I have asked the Government to explain what it will do regarding the necessary privacy when business has to be transacted across the counter. What will the Government do in the provision of this service at a time when it is required? That kind of selling situation is an important issue. The selling time will be out of normal office hours. Will the persons employed by S.G.I.C. work from 9 to 5 and get overtime, as is the Government wont in these matters? Will they be heavily loaded with additional salaries or costs and so greatly increase the cost of providing this operation through the S.G.I.C.? Those matters have not been explained. They are not referred to in the documentation we have received from the special committee that has investigated the matter. Members opposite have not indicated that any consideration has

been given to providing this service for the community, and yet Ministers want members on this side to give them an open cheque for this measure which, as I have said previously, is completely abhorrent to me.

The important issue is that adequate and proper representation to members of the community who are seeking insurance information and the correct type of insurance for their needs and for their family needs will be provided by someone who will get a reward for his initiative and for his effort. I do not see in any of the information made available to members of this House that the Government has come to grips with that important problem. It is critical if we are to obtain the responsible attitude to the public that this form of servicing demands. I believe that the drive, initiative, and effort put into the industry by those who have made it their profession and their career will quickly show up the deficiencies of this poorly thought out Government proposal, a measure put forward too soon purely and simply for ideological reasons and to create the position of a political crisis in the Upper House.

The only other matter I shall canvass refers to the people whom the S.G.I.C. suggests it will make available to sell assurance across the counter. What about the person who fails to show initiative and fails to give to the community advice of a proper nature? In the general insurance field, such a person is quickly shifted on. He fails to maintain a place in the selling force of insurance. However, with the Government monopolistic situation that we have come to know in the past, once a person is employed by the commission his job will be assured for the rest of his natural life. Very rarely does a situation arise in which a person in Government employ is shifted about when he fails to show ability in the area for which he has been employed.

Mr. Millhouse: Is it fair to say this is Government employment?

Dr. EASTICK: It is so very close to it. We might say the same about the Electricity Trust and various other instrumentalities and commissions.

Mr. Millhouse: Do you say the same about them?

Dr. EASTICK: If one looks at the terms under which members of S.G.I.C. are now employed, speaking of the general insurance field, they are employed on a basis parallel to that of normal Government employment. On that basis, I make the point that we have not had a satisfactory explanation in many fields, and that is yet another way in which we have not had the Government come clean and indicate how it sees this whole procedure structured and how it sees the involvement of S.G.I.C. in life assurance as being an advantage. We have several instances in which the Government has shown ignorance of the consequences of its action. One can only say that we will finish up with the community being disadvantaged. If it were necessary to say so again, I simply say that I totally reject the measure before the House, for the reasons I have stated.

Mr. MILLHOUSE (Mitcham): The debate on this Bill so far has been what one could, I think, fairly term an anticlimax. There has been a tremendous amount of publicity, with charges and countercharges, irritations, and so on, in the community since the announcement was made, I think some time in January, by the Premier that the Government proposed to introduce again this measure. Now in the debate things have gone, so far as I can see, rather quietly on this side of the House. I realise, of course, that the Liberal Party is caught in a bind.

Members interjecting:

Mr. MILLHOUSE: I think it is, and I think the member for Light acknowledged as much in what he has just said.

Dr. Eastick: You should have heard what I said before dinner.

Mr. MILLHOUSE: I regret that I did not hear that.

The Hon. D. W. Simmons: It was the worst he's been.

Mr. MILLHOUSE: I thought I was safe in saying that the debate as a whole had been an anticlimax, even though I did not hear the five minutes or 10 minutes before dinner of the speech of the member for Light. The Liberals are in a bind over this Bill. If Liberal members in another place were to stand firm and oppose it, the Government would have the wherewithal for a double dissolution of State Parliament.

That would mean an election for all members of Parliament, something that some members in this place and in another place may not altogether welcome. Certainly the Liberal Party, as a Party, would not welcome it because it is almost certain, considering the way public opinion is running at the moment, that the Liberal Party would be badly beaten in an election, so it is not anxious, obviously, to push its opposition to this Bill to the point where it will precipitate the circumstances that would lead to that election.

On the other hand, if Liberal members do not oppose the Bill and give in (and I think this is what will happen in another place), people outside will say, "What's the good of them? They say one thing one day and then do not live up to it", so that is the bind that they are in. I think that has been reflected in the debate so far. I notice that the Leader of the Opposition, who on this occasion led for his Party, was very mild in what he said. In fact, he did not say much at all. The real opposition has come from his rather more conservative deputy, the member for Kavel. The honourable member can laugh, but it was meant to be a compliment.

The Hon. R. G. Payne: That was a nice turn of phrase: rather more conservative.

Mr. MILLHOUSE: I am always moderate in my language. My prophecy is that the Liberal Party will arrange for one or more than one of its members in another place not to stand firm so that the Government will have a majority in that place. The Bill will go through, they will say that they are a non-Party Party or something, and everybody will heave a sigh of relief. They would all breathe a sigh of relief and the matter would soon be forgotten.

Mr. Mathwin: How about having a go at the Labor Party?

Mr. MILLHOUSE: I may do that in due course, on the appropriate occasion.

Mr. Allison: Of representatives present now—

Mr. MILLHOUSE: I paid the member for Mount Gambier a compliment a week or so ago. I regret that now because I do not think it was justified. He seems to take a delight in trying to torment me in this place. Now, Mr. Speaker, I am trying to address myself strictly to the Bill before us.

Mr. Gunn: You could have fooled me.

Mr. MILLHOUSE: I do not think members of the Liberal Party want to accept what I say ever nowadays. I am about to come to my own position.

Mr. Gunn: You have to be careful of the barb-wire fence.

Mr. MILLHOUSE: I think the member for Eyre may not approve of what I have to say, but he will see that I am not sitting on the fence. I have had to think very carefully about this piece of legislation. I have always

opposed S.G.I.C. in this place. I was certainly a member of a Party that opposed it. I looked up *Hansard*, and I do not seem to have voted in the division, although I do not know why.

Mr. Goldsworthy: It could have been a Wednesday night and you were out with the Army.

Mr. MILLHOUSE: It could have been.

Mr. Allison: Or before the Privy Council.

Mr. MILLHOUSE: Maybe I was at the Privy Council; I cannot remember. Whether I actually voted or not, I can say that when the matter has been debated in the House up to now I have always opposed S.G.I.C. I do not now oppose it. I have thought as hard as I hope is justified about this and my present view is that we now have S.G.I.C. in this State. Whether members of the Liberal Party like to accept that or not, it is accepted in the community, and I think we would all be surprised if we knew who some of the clients of the S.G.I.C. were. I believe they are what may be called of the establishment in this State, if one likes to use that term. The member for Hanson may like to consult his former employers about this matter.

The fact is that S.G.I.C. has been accepted in this State. I believe that many people (and I will not say a majority, because I do not know) in the community in business and commerce take the view "Well, we've got it; we have to make it work", and that is the view to which I have now come. For that reason I do not oppose this Bill. It seems to me that what we are considering here is a very small extension of the activities of the insurance commission. I am afraid that those who oppose the Bill (and they are mainly those who are involved in life assurance) are themselves in a bit of a bind, for two reasons as I see it. First, they say this is creeping socialism, that we must not accept any more Government activity. For the purposes of the argument let us assume that S.G.I.C. is a Government activity (that is arguable, too). They say that we must not accept it, that it is bad and will lead to nationalisation of insurance in South Australia, and so on. Of course the answer to that (and it is an answer that they cannot meet) is that in Australia we already have, in Queensland and New South Wales, State Government insurance that is operating in the life field.

So far as I have been able to find out, none of the dire consequences that have been prophesied for South Australia have occurred in Queensland or New South Wales. Let us remember that in both of those States there have been, for a good part of the time since the establishment of State Government insurance, non-Labor (non-socialist) Governments. So far as I have been able to discover, in neither State has any action been taken to curb, let alone to close down, those State Government offices. I admit that in Queensland there is a Country Party dominated coalition Government and Country Party people (and I say this with due deference to my good friend from Flinders) are expedient in their view—it is what is good for the people they represent rather than any doctrine that counts. The Minister of Transport was having a good go at the member for Rocky River about that before dinner and he, except in name, is a very good example of a Country Party member. In New South Wales, for 10 years or more, there was a Liberal Government and it did nothing.

Mr. Gunn: A very good Government, too.

Mr. MILLHOUSE: The member for Eyre is now confirming my argument. It did nothing about the State Government insurance office, but rather the reverse. There

are now complaints from private industry in Victoria against the extension of the State insurance office, but they are extensions sanctioned by a Liberal Government. In Queensland the Treasurer of the State has been a member of the Liberal Party, and Queensland as far as I know has not bucked at this. So, again opponents of the scheme on the grounds of creeping socialism are in trouble because there is the answer in those other two States. I cannot see any way around that answer.

The other problem that opponents of the scheme have is with regard to the way in which they say, and which the Government has said, the commission proposes to operate, and that is not to have agents in the field. I accept that that is a genuine intention, and I hope that I am not being too trusting in taking that as a genuine intention. I have spoken to a senior man in the commission, with whom I have spent some time and whom I have known for a long time. He came from a private company. I think I can take his word, and he assured me that that is the intention. I do not have to take the word of Government members, if I do not want to, on this point. If that is the intention, and if, as those who oppose the measure assert, it is a method of selling insurance that is doomed to fail, why are they afraid of the attempt to make it work? They cannot have it both ways. They cannot say that it is an absurd method that cannot work, and in the same breath say that it is dangerous to them and that it will undermine their position. I say that on the assumption that the intention will not change in due course. I accept that it will not change.

I have talked to others outside Parliament, such as people in business whom I regard as friends but who, I am sure, would vote Liberal rather than L.M., and they are not at all fussed about this matter. Those who are fussed about it are those in insurance now and, certainly for the purposes of this exercise, the members of the Parliamentary Liberal Party; no-one else seems to be worried about it.

The Hon. Hugh Hudson: The latter members seem to take a doctrinaire view.

Mr. MILLHOUSE: The Minister can speak for himself.

Mr. Mathwin: The Premier gave his word that he wouldn't go into this field.

Mr. MILLHOUSE: I cannot criticise him, because I, too, have changed my mind about this. I think it is time we all realised that it is possible to change our minds on a certain matter, and not lose our self-respect. It leaves one open in this place to much ridicule and is good for half an hour of debate if an honourable member wants to filibuster, but there can be genuine changes of mind on things, and I hope that members will accept that I have had a genuine change of mind. What we have, as I understand the situation, is the probable entry of one more competitor into a field in which about 45 are already operating. People have said that the commission has not done too well, except for its third party insurance, in which it now has a monopoly. What are people worried about? If the other companies are so good, why should they not be able to meet this competition? That question also requires some answer, because the assertion has been made that the commission, being guaranteed by the Government (it has the word "Government" in its title and is what I suppose I could call a semi-governmental instrumentality) will have an unfair advantage, and in some ways it is impossible to ignore that.

One point I worked out when I was talking to people about this the other day was that the very fact that the word "Government" is in the title makes some people think, "This is different. It has the authority of the Government.

We had better pay our debts." I do not think that we can get away from that; it is there, and that will be an advantage. What other advantages there are, I find it difficult to say. There have been many assertions about advantages, but I take section 17, to which the Leader referred in his speech, at face value. Section 17 will apply just as much to life activities as to general activities; the section is fairly strong. I would prefer that the Auditor-General, who is a public servant (whatever we used to say in the House about his being a servant of Parliament), has a measure of independence. I should prefer that he had to express an opinion, rather than the Treasurer. Apart from that, section 17 (1) is strong, and states:

Whilst any Act relating to income tax shall not apply to the commission, the commission shall from time to time pay to the Treasurer such sums as the Treasurer deems to be the equivalent of the amounts which would be payable by the commission if the commission in respect of its insurance business were liable as an insurance company for payment of income tax and other taxes—

much has been said about sales tax—

under the provisions of any Act or Commonwealth Act.

Section 17 (2) provides for it to take out the annual licence, the 1½ per cent the independent companies have to take out. So far as we can by Act of Parliament (and there are those today who say it cannot be done), we have provided that the competition should be fair. I have not been able to find an instance where up to date the competition of the commission has been unfair. There has been much talk about the Government Printer and cheap printing, but I do not believe that that is right. I certainly have not had proof that it is right. The competition has been fair up to date, and I cannot see why it should not continue to be as fair as one can ever make it with a semi-governmental instrumentality coming into a field.

There are 45 competitors operating and, if they cannot keep up their end, there is something wrong with them. Let us recall what happened to them a few years ago. Only 10 years or 15 years ago there was a clear distinction between life assurance societies and those in general insurance. Shortly thereafter, each crossed the border into the other's field, and we had life companies setting up their general insurance companies, and general companies setting up life activities. However, the world has gone on in much the same way. They each trespassed on what had been the separate field of the other, and it was not a cataclysm for anyone. So, why should the Bill be a cataclysm for anyone? In all the other States there are life offices, life assurance societies and general insurance companies. In New South Wales and Queensland, so far as I know, they do as well as they do here.

Criticisms have been made of the societies. One criticism I have come across, when talking to people about the Bill to make up my mind, is that companies are conservative indeed in valuing their own assets. In any organisation the urge for self-perpetuation becomes strong, and those on the board have tended to be conservative in valuing the assets. This means that the bonuses given to policy-holders are probably a good deal less than could be justified.

Mr. Becker: At least they get paid.

Mr. MILLHOUSE: Yes, they get paid, but they may well with complete safety be paid even more. That is a criticism I have heard. I have to be careful. The mortgagee of my house is one of the societies, and its manager has taken a lively interest in this Bill. On the other hand, I am waiting to be paid by S.G.I.C. because one of its silly assureds had an accident with me. It was completely his fault, and the company has accepted that.

I signed the discharge yesterday, but I have not received the cheque. Therefore, I have interests on both sides, and I make that point clear. I have always opposed this legislation, but I do not oppose it now, because I think it is only a small step further. The time to oppose it was at its birth and not now when the commission has become established and accepted and, so far as I can tell, except for those in the field of insurance, no-one is very fussed about this proposal. I am confident that even those in the insurance field who now oppose the Bill will find in due course that there was little, if any, reason for opposing it.

Mr. BECKER (Hanson): I totally oppose the Bill. I am one who has been brought up on free enterprise. Government members may laugh, but there is none so foolish as the ignorant, and we will prove how ignorant they are concerning this legislation. Why is it necessary for the Government to enter the life assurance field? Why is it necessary for the Government to fulfil suddenly its dreams of total power and the controlling of the economy of this State? The member for Unley may laugh, but, as he is about the worst in this House, that is all he can do. When the Premier introduced this legislation, he facetiously, coolly, and calmly cut down the arguments of the life assurance industry and destroyed those people who have built up the industry and depended on it for their livelihood. The Premier thought he did a good job, but it is a pity that he did not tell the truth about some of the issues. We had a poor exhibition this afternoon of the Minister of Transport trying to defend the Government's involvement in third party insurance with S.G.I.C. I do not accept his full statements, because insurance companies battled for some years to try to obtain an increase for third party premiums and then found that they could not carry on any longer. The S.G.I.C. had the same experience.

The Hon. Hugh Hudson: So they passed the buck and gave it over to the Government.

Mr. BECKER: You cannot keep carrying losses all the time: you are the great economist in this House, the lecturer in economics, and know very well—

The SPEAKER: Order! I must point out to the honourable member for Hanson that "you" is not a parliamentary term.

Mr. BECKER: The Minister of Mines and Energy is the economist, and he knows that lectures in economics show that you cannot keep running into debt without having reserves to cover it. If you have no reserves, where do you go? You have to increase the price, and that is common sense. However, this Government does not follow that policy, and neither did the previous Federal Labor Government, but it plunged the country into further debt and created many problems. The Premier is fulfilling an ambition of the Australian Labor Party in this State and in Australia as a whole to have a Labor Government controlled insurance industry. It is part of the socialist economic policy and planning of the A.L.P.

Let us be honest about that: once they get insurance companies, they will get the banks and others, so that, through the Premier's gigantic Economic Development Department, he will be able to control all the money in this State. The member for Unley should study what has been happening in the Industries Development Committee, and in previous legislation, and one can see the plan unfolding in the Government's obsession to control wealth in this State. That is what it is all about. Many old scores have to be settled on this issue, as it goes back to the early days of the Premier and others in the Labor Party

who want to settle scores with certain so-called establishment people. I do not know who they are, but even the member for Mitcham made a fleeting reference to them.

That is the crux of the issue: the Government wants to get this industry at all costs. The Government has been successful in getting the insurance side of it through compulsory third party insurance, and we have been able to ascertain, in the few years that the commission has been established, that it has been able to build up more than \$100 000 000 in reserves through compulsory third party insurance and so-called investments in South Australia. Those statements about so-called investments are not completely true, because S.G.I.C. must re-insure, and some of that re-insurance money has found its way overseas. That accounts for some of the false advertising we have seen for S.G.I.C., but we know that the Premier is a great one for saying that when you advertise you can stretch the truth a bit when publicising the State. He said that in a reply to a question I had asked him on another matter. That casts a doubt on the credibility of the Premier, especially when he is trying to defend his policy and making statements that all the money is invested in South Australia.

The Premier made great play of the fact that he had not voted at any insurance company meeting when he was a policy holder. I claim that any person who is supposed to be an eminent legal man, as is the Premier, and a Q.C., with his training and grounding in the law must know that one has only to apply to the insurance company for a ballot-paper. If the Premier had not been told that by the life assurance salesman, he had only to ask. Every person holding a policy is given that opportunity, and I do not believe that anyone with the so-called intelligence of the Premier would not know that fact. What that has to do with the introduction of the Bill I do not know. The Premier was quick to add and make great play of the fact (and great play has been made and will be made of it) that he surrendered all his life assurance policies. However, if this Bill is passed the Premier will be the first to line up for a life assurance policy with S.G.I.C. It would not be economic for the Premier, me or any other member to have life assurance policies, together with the super-annuation fund that operates for members of Parliament, because of the taxation scheme that was set up by Mr. Hayden when he was Treasurer. It is only common sense in those circumstances that people would quit their policies. I do not accept the Premier's statement that he surrendered his policies because of the ethics adopted by the life assurance industry. Scores are to be settled here: that is what it boils down to. This whole matter started up again when the Attorney-General last year brought up an unfortunate incident regarding a claim on a life assurance policy. It can be argued that the industry itself has not been kind to itself. The industry consists of people who sell insurance, some of whom are hard sellers, as occurs in any organisation, whether it be a trade union, the Labor Party or the Liberal Party. Every now and again someone does not follow the code of ethics and will bring disrepute to an organisation. This has happened to the life assurance industry, but that is not sufficient reason for the State Government or the Labor Party to insist that it should enter the life assurance field through S.G.I.C. or any other organisation.

Mr. Langley: What about competition?

Mr. BECKER: That does not enter into it. There are 45 insurance companies selling insurance, and one can buy life assurance over the counter if one wishes. About 15 years ago I walked into the head office of an insurance company in Sydney and asked a clerk to write an insurance

policy for me. For the first 10 minutes the clerk did not know what to do; however, it can be done. The crux of this issue is that insurance is a wonderful money spinner for the State Government. This measure will enable the State Government to get its hands on to millions and millions of dollars, because it has the machinery, the organisation, the ability—

Mr. Mathwin: The greed.

Mr. BECKER: Yes, and it can do it simply through the Public Service and Government employment agencies. The Government is already using the benefits of S.G.I.C. for housing loans through the State Bank and the Savings Bank. It is using other connections to direct insurance business to S.G.I.C. If the Government enters the life assurance field it can approach all its public servants and insist that they be bonded or take out life assurance policies with S.G.I.C. by offering the same 5 per cent discount on premiums that is offered by private enterprise to banks if the employer pays the premiums for 12 months in advance and an employee's contribution is collected fortnightly from his salary. That is exactly what the Government will do. It can do it through the agency of its lending institutions. The field of Commonwealth housing loan money is another interesting facet to consider, because the Government could insist that certain people in certain economic circumstances take out mortgage protection policies with S.G.I.C. That field is as large as one would like to consider.

If every new home owner had to take out a mortgage protection policy, the Government could corner that market. That form of insurance is good for young people, and many lending institutions recommend that young people take out this form of insurance to bolster their security. Insurance coverage could also be extended into local government. The Minister of Local Government recently directed councils to employ only union members under the unemployment relief scheme to join certain associations. Inside staff must now also be members of recognised associations, and they cannot be considered for promotion unless they are a member of a union. The Government will try to enter that field, because it has established a precedent in many areas let alone the insurance field.

This business of buying insurance over the counter is only a sop. It is only the beginning of ultimately putting up what the Government wants to achieve. It could well be the trap involved in this measure: a compromise could be reached elsewhere that would insist that S.G.I.C. enters the life assurance field on a commission basis. Over-the-counter insurance selling just will not work. One does not just walk into a company and take out a policy. Many different insurance packages are available. One can take out a basic policy and change it as many times as one desires. Interviews about insurance policies are conducted privately, preferably in an office, and they are confidential. A person's assets and liabilities are generally considered before his worth is evaluated and a policy he can afford is suggested. The Government has not made clear whether S.G.I.C., if it enters this field, will write whole of life assurance, which provides protection against death for as long as a person lives and continues to pay the premium. The premium does not change throughout the policy's duration. In Australia, it is usual to select a policy that entitles one to bonuses, that is, a share of the company's profits distributed by means of additional cover which thus increases the death value of the policy.

The Hon. G. R. Broomhill: From what are you quoting?

Mr. BECKER: It is a booklet published by the Life Officers Association in Australia entitled "What to Look For in Life Assurance". The booklet is not cynical; there is nothing wrong with it. Having spent 20 years in banking, I can assure the honourable member that what is contained in the booklet is acceptable and creditworthy.

Mr. Langley: It would have to be, too.

Mr. BECKER: The member for Unley has been around the world several times and has probably been well insured. Endowment assurance is a life assurance policy that is payable to the person who took out the policy (or to the owner of the policy) at a stated age or his prior death. The premium will be higher than for a whole of life policy of the same amount, but in a whole of life policy the premiums remain fixed throughout the policy's duration. The Bill does not set out what type of policy the Government will make available. Probably 40 per cent of all insurance written in the life assurance field is temporary insurance.

A working party considered S.G.I.C.'s entering this field. Its report proves only how ignorant were the people who delved into life assurance, and the Premier should pay little heed to it. It contained many words. It proved that someone did some work, made a few inquiries, but did not come up with anything worthwhile. The report deals with five different kinds of policy. Perhaps S.G.I.C. could enter new fields of life assurance, but it will find it extremely difficult to enter those fields, because, if those fields of assurance could have been entered, other life assurance companies would be doing so today. The working party report states, on page 13:

It is apparent from several papers submitted to the working party that the investment return on the savings element in traditional policies such as whole of life and endowment policies is very poor.

That is what the Government and the committee investigating the industry are basing their case on. It is not true to say that they are poor returns, because the rate is being set at the time, and at the time the premium is set the potential earning rate is taken in. The report continues:

However, death cover can often be acquired more cheaply through term insurance which provides pure death cover than through combined savings and death cover policies (endowment, whole of life). These policies usually require a long-term commitment by the policy-holder and in high inflation economic conditions the value of the sum assured diminishes rapidly. If the S.G.I.C. concentrates on marketing modern flexible policies, as has been suggested, the seemingly unfavourable condition of the market should not impair the success of the venture.

It is worth noting that after his exhaustive investigation the Royal Commissioner in Western Australia concluded, "It is my firm impression that by adopting a conservative approach . . . and by re-insuring judiciously, the office should be able to engage in life insurance business without committing the people of Western Australia to risk of losses which cannot be justified commercially." The working party agrees with the conclusion of the Western Australian Royal Commissioner. Evidence and informed opinion strongly support the probability of an S.G.I.C. venture into life insurance being financially successful.

The Government wants to go into a successful business venture, and it wants to be absolutely sure it is successful so that it can get hold of the finances, the money, and the reserves, as it has been able to do regarding compulsory third party motor vehicle insurance in this State. By using its reserves and reinvesting in the projects in which it wants to reinvest, the Government, for political expediency, can develop certain areas in the name of progressive government.

Many arguments have been advanced as to whether the S.G.I.C. would be able to cope with the establishment

of life assurance in this State. There is no doubt that it could. I have not seen any evidence to show that it could not do that, and there is no evidence to say that the Government would have any difficulty in financing such a venture. It all comes back to what we believe: the Government wants to enter this field because it is part of its policy to get hold of the finances of the State. There would be one or two areas where the Government might have an advantage over private enterprise, and this could be summed up easily by looking at the Superannuation Fund, and the provision of money in that area. This is one area where the Government has a benefit over free enterprise: the Government does not make matching payments into the Superannuation Fund, as free enterprise companies have to do. We know that last year \$22 000 000 was paid out of General Revenue for pensions under the Superannuation Fund.

The State Government does not put money into the Superannuation Fund as required. We want to know whether those employed by the S.G.I.C. would be employed under Public Service conditions or whether it would be treated as a separate organisation and whether the commission would have to contribute money from its earnings into the Superannuation Fund. No doubt, the fund money would be put back into the business of the commission, and that would not reflect on the ability of the investments or earnings ratio. Summing it up, there is not a great argument that could be put forward as to why the Government should enter this field. The industry is well represented by about 45 companies in Australia. They have built up a large personal following, through their individualism and the ability to assist people within the community, and they have assisted the community very well.

Mistakes have been made, but they have been minor and isolated. That happens in any industry or business, and even in the legal profession, as the Premier would have to admit. The crux of the issue is whether one believes in socialism or whether one believes in free enterprise, and whether one believes that this Government is competent and capable to be totally handling the whole of the funds and the finances of the people of South Australia. I can only reiterate that I do not believe this Government is capable or competent, nor are any of its Ministers, to administer any further the taxpayers' money in this State.

Mr. EVANS (Fisher): I oppose the Bill because of the philosophy I hold. I have no doubt in my mind that, immediately the Government starts to compete with private enterprise in the supply of goods or services, private enterprise is disadvantaged. Our society depends on private enterprise.

Members interjecting:

The SPEAKER: The honourable member for Fisher has the floor.

Mr. EVANS: If we start depending on Government services, we will get into the same bind as have other countries. England is an example, as are some of the European countries.

The Hon. D. W. Simmons: Private enterprise can't compete.

Mr. EVANS: If the Minister wants an answer to that, I shall come back to it in a moment. Other countries in Scandinavia have attempted to move in this direction and have succeeded to a degree for 40 years. Then they find that the situation will not stand up and people have to start paying 99 per cent of their last few dollars (or whatever is the relevant currency) in taxation. As much as

the Premier may argue that this will give him an opportunity to have money to invest in other areas, unless that money is invested wisely the cost burden still falls back on society. If the service the money is used to provide is non-profitable, it is abused by those who wish to abuse it and becomes a burden on the financial resources of the State.

Mr. Keneally: So the commission—

Mr. EVANS: I shall ignore the member for Stuart, the collective farmer who talks about growing maize in the Simpson Desert. When the Minister for the Environment talks about competing, I remind him that the group that supports him in this Parliament more than any other group, the trade union movement, is the group that has killed the competitiveness in countries such as England, where it is not possible to get a guaranteed finishing date or a guaranteed price.

Mr. Keneally: Have a look—

Mr. EVANS: I could go on if the honourable member wanted me to do so, but it would be against Standing Orders to go so far from the Bill before the House. Some reference was made by the member for Mitcham—

Mr. Keneally: You—

The SPEAKER: Order! The honourable member for Stuart is out of order.

Mr. Mathwin: He's out of his mind, too.

The SPEAKER: Order! The honourable member for Glenelg is also out of order.

Mr. EVANS: The member for Mitcham spoke about bonuses that insurance companies paid and said that if they did not have so much in capital assets they could pay higher bonuses. The member for Mitcham would know that if S.G.I.C. moves into the life assurance field, it will have a distinct advantage as far as bonuses are concerned, because the insurance legislation will not apply to it. It will not have to appear before the insurance commissioner: it will not have to set aside the statutory amount of reserves; and it can make its own decision whether it puts any money aside, or a lesser or greater amount than the statutory requirement according to the insurance legislation.

We know that the insurance companies are bound by the legislation and are compelled to set aside a substantial statutory amount. In fact, it is so high that they have argued for a long time that the amount should be reduced so that they can offer higher bonuses to their policy-holders. Nobody can deny that that is a fact, and nobody can deny that the S.G.I.C. is not covered by that legislation.

The Hon. D. W. Simmons: Competition is—

Mr. EVANS: That is unfair competition. There is a distinct advantage for a State controlled organisation competing against 30 or 40 insurance companies. Other members have mentioned areas where S.G.I.C. has an advantage. Competition must be fair.

Mr. Max Brown: They cover all the third party insurance—that would be an advantage!

Mr. EVANS: If a more realistic approach had been taken in the early stages about third party insurance and how it should be approached, maybe S.G.I.C. would not have ended up with the whole burden. We have reached a situation whereby for every \$100 000 claim lodged each person who drives a motor car and has third party insurance is liable for an extra \$2 a year, and that is the sort of claim that is occurring in that field. One has to consider whether or not a greater burden should be placed back on individuals involved in drink-driving and speeding, but that is another matter. I return to the question of

competition. Even though it has been denied, some of the State lending institutions virtually direct people who go to borrow money from them for a home to go to S.G.I.C. yet under the Trade Practices Act we are told in an advertisement—

Mr. Keneally: Give specific examples.

Mr. EVANS: If the honourable member wants specific examples I can bring them forward. I have not got them with me but I have the name, the house and when it happened. These persons are directed to go to S.G.I.C. I believe that is unfair competition, particularly when S.G.I.C. advertises on the radio and tells individuals that they are not bound to go to a particular insurance company because a lending institution says they should do so. If it is another commercial banking enterprise, insurance organisation, superannuation fund or building society, they are told they can choose their own insurance company and go to S.G.I.C. When the situation is reversed, because the commission is not covered by the Trade Practices Act, there can be a double standard. This is a restrictive trade practice.

Mr. Keneally: Give a specific example.

Mr. EVANS: I will name the cases by way of a question in the House. It has also been said that other States have life assurance through their State Government insurance offices. Nobody is arguing against that. I have heard the Premier argue that he will not accept things that go on in other States. I have heard of legislation that Queensland has passed that the Premier says he will not pass. It does not mean that because another State has life assurance through its State Government insurance office we should have it.

As far as I am concerned, any step down the path of destroying competition in our society should be stopped. If it will be fair competition that is a different matter. It can also be argued that the insurance industry services society well. Members can talk about individual cases where salesmen have gone astray or companies have had difficulties, or there has not been a payout because of some moral aspect instead of a legal aspect, but we can also talk about members on either side of the House and of situations where we have not acted in a completely responsible way, and where we have acted just as ruthlessly and just as badly in the eyes of society. There are always some of us who will go by the way, whatever profession we participate in. Nobody can deny that. Circumstances sometimes prevail that force people into an area of activity that does not do a profession any good, so I do not accept that argument from any group in this Parliament.

The responsibility of managing a State does not mean that a Government has to set out to get its hands on as much money as possible and to go on spending that money wildly in areas in which it may think there is a political opportunity to gain votes, because when that activity ceases there is often a burden on the State that it cannot service regardless of whether the Government may have had a magnificent form of income for a few years. When the Premier said originally that he did not want the opportunity to sell life cover from S.G.I.C. (and it is the same man here now; he is just a bit older; he is over 50 now), he gave his word. I think that an undertaking given in that sort of debate is most important. The honour and integrity of a man is at stake when he stands in this Parliament and says, "We do not want life cover; all we are asking for is the fire and accident area." The same man stands up now and says, "We want it; we got the first stage by making a promise that I never intended to keep." That is what the man said and I think—

Mr. Becker: Do you think he was over-ruled?

Mr. EVANS: I do not believe a man who makes that sort of promise can be over-ruled by Caucus, Cabinet or any other section of his Party. I believe a man's integrity is higher than all of that. If a promise is given it should stand, particularly when it comes from a person with the highest position in the State. I believe that in itself is enough to make Labor members realise the sort of double standards that they are putting to us. They complain at times because we want to make sure that every point is covered so that they cannot twist and turn and double back. How can you trust a man whose word is not his honour?

I pose that question because that is what we are deciding tonight as much as anything else. Many of the members who were here before are here now, including the Premier, who made the promise. It is not so long ago that it can be forgotten. It is recorded, too, for those who wish to read it, so it is not just a matter of memory. What will happen to this Bill in another House, I do not know, but I say this: the threat of a double dissolution or an election made by any Premier or any Government should not stop people from making up their minds on the issue of the day. In this case, I do not support the Bill. The last time this Premier of double standards threatened us, as a Parliament, with an election on a similar issue that was voted against in another place, we went to an election, and the Government scraped in by the skin of its teeth.

Mr. Slater: We won handsomely in the circumstances.

Mr. EVANS: The honourable member was sweating on election night about whether he had represented the Party or the people well enough. His seat was a deciding one: 350 votes out of between 16 000 and 17 000; that was not too handsome. The honourable member knows what the result was. It is all right to smile after the event if you win by a point, but it is rough when the umpire makes the last decision. Mr. Speaker, you had some say in the eventual outcome, because you were an Independent, as claimed at the time, but things happened later to suggest that that had changed.

I will not be blackmailed by any Government or any member of Parliament. If a Bill is wrong in my mind, I will vote against it in the strongest terms. The Premier should think about what he said, and forget about trying to justify it. Anyone who breaks a promise once will do it again. If a person breaks a promise when the pressure is not really on, it is bad. There is no need for a Bill such as this at this time. It is not a matter of life and death for the economy of the State or for the Government. If a promise is broken in such circumstances, what will happen behind the scenes when pressure is applied in other fields? I believe that this is the real test of a man and a Government: they know that the promise was made by a man who was the Leader then and who is the Leader now. I oppose the Bill.

Mr. VANDEPEER (Millicent): I oppose the Bill on philosophical grounds.

Mr. Max Brown: What, again!

Mr. VANDEPEER: I knew that that would get a reaction from Government members. They have taken the bait and swallowed hook, line, rod and everything with it. They would swallow the fishermen and the people of South Australia with their socialist platform if they could. I believe that a promise has been broken since the Bill was originally introduced, and the member for Fisher has spoken about this. On reading *Hansard*, I found that the Premier said that the Government was not concerned about entering life assurance.

The Hon. D. A. Dunstan: Perhaps you'd better read out what I said instead of saying all this nonsense.

Mr. VANDEPEER: On reading *Hansard*, I found that the Premier was not concerned about entering life assurance at that time. If he now says that he was concerned about eventually going into the life assurance field, it is another deceptive speech he has made to deceive Parliament and the people of South Australia. We now have evidence that the Premier intended to deceive them in the introduction of this Bill. The Bill is the thin edge of the wedge in the Government's socialist platform. In this session of Parliament, we have had two other Bills, namely, the Industries Development Act Amendment Bill and the Land Commission Act Amendment Bill, introduced, and they are also the thin edges of the wedge. Many of these thin edges are being driven into the system we have in this State, and I wonder where it will end. People are beginning to think that, if more thin edges are driven, it will mean the complete socialisation of the State.

In speaking to people about the Government's intention of going into the life assurance field, I have found that many life assurance offices are not concerned about the Government's entering the life field; they are concerned that the Government will not maintain free and fair competition. Other Opposition members have already spoken on this aspect. I believe that the competition will not be completely fair, and that again breaks down the system we have in this State and enables the Government to gain control over large sections of finance in the community that provide money to industry and many other fields. Some of that finance has come from the insurance companies. I am sure that it is the Government's intention to have greater control over this finance. It is bound to do that, if it is to have any kind of socialist platform. We know that the Government's philosophy is to take over distribution, supply and finance eventually.

The Hon. D. A. Dunstan: Where's that in the platform?

Mr. Venning: In your policy.

Mr. VANDEPEER: I do not have a copy with me now, but your Party has issued a booklet in which that is stated clearly.

The Hon. D. A. Dunstan: It doesn't state those things at all.

Mr. VANDEPEER: It may not be stated in those words, but that is the intention.

The Hon. D. A. Dunstan: You really are pathetic.

Mr. VANDEPEER: Be that as it may, I believe I know what the Government's intentions are. Fair competition is the aspect about which most life assurance offices are concerned. I do not think that many Government members understand what profit is. When describing profit, the Opposition finds Government members asking why a company must make a profit.

Mr. Keneally: No-one says that.

Mr. VANDEPEER: I have heard the Minister of Labour and Industry several times ask us why a company must make a profit.

The Hon. G. R. Broomhill: When did he say that?

Mr. Keneally: The Premier was kind when he said that you were pathetic.

Mr. VANDEPEER: That is all right. We all have our opinions, and we will not worry about the honourable member's opinion. Regarding the commission's entering the life assurance field, I wonder when it will show a profit, although I do not believe that it will ever go broke and be unable to operate. Hitherto, the commission has

not made any large profits, but it has gone into bridging finance for housing at apparently low rates of interest. I admit that this finance is well worth while, because it assists those who want to build a house. However, a private company must show a reasonable profit on its books in order to be successful. Here, the Government does not have to show that: no profits and no dividends. The commission has an accumulated loss, but the Government can say that dividends are being distributed to the people by giving them money for housing at a low rate of interest. Government members cannot understand that argument, but that is unfortunate for them.

Mr. Keneally: If all farmers are such good businessmen as you suggest, why are they asking for assistance from the Government?

Mr. VANDEPEER: I will not reply to that question, because it is unintelligible. Members of life offices to whom I have spoken do not mind S.G.I.C. entering the life field. We have 45 companies operating in Australia and this will make 46, and the life offices do not mind as long as the competition is fair. I honestly do not believe that it will be. Government members have said that it does not matter that the Government is moving into life assurance, a field that has usually been dominated by private enterprise. I have said that this is another wedge being driven into the system. I think the Minister for the Environment said that the terrible things people said would happen have not happened in other States with a Government insurance commission selling life assurance.

The Hon. D. W. Simmons: That was the member for Mitcham.

Mr. VANDEPEER: I am sorry, but the Minister agreed with him.

The Hon. D. W. Simmons: I think he was right.

Mr. VANDEPEER: I do not think they will happen immediately, but they will in time once the socialist Government has enough of these things operating, and that is what people are concerned about. They are not concerned about the Government's taking over one section and creating extreme competition to send that section broke, but the time will come, because we know how pressure will be applied. Many life offices have been concerned that S.G.I.C. will not be successful in life assurance, because it is impossible to offer this sort of insurance over the counter. Life assurance must be sold, but not over the counter, and I think the member for Light explained very clearly this situation. I am sure the Government will break its promise and have to move into a selling programme in the field and not over the counter in order to compete.

Much has been said about the right of shareholders of insurance companies to have a vote, and that these people did not receive ballot-papers and were not notified of meetings. I think the main cause of this problem is the lack of concern shown by many people involved. If they wish to vote they can, but they are not concerned about it. It may be a malaise infecting a large part of the community today, because we would be much better off if each person said what he thought instead of accepting the opinion of others. A typical instance is the trouble at the power station at Torrens Island. If all people in that dispute put their point of view—

The DEPUTY SPEAKER: Order! I think the honourable member is moving away from the Bill: there is nothing about a power dispute in it.

Mr. VANDEPEER: The Minister of Transport said that the South Australian Co-operative Bulk Handling Limited

was a socialist venture: what utter rubbish. It seems that Government members do not understand the difference between a socialist venture and a co-operative venture, because C.B.H. is a co-operative and not a socialist venture. I relate C.B.H. to mutual life assurance companies operating in Australia, because they are mutual companies. The Minister of Transport did not describe them as socialist ventures. I refute the Minister's statement that C.B.H. is a socialist venture, because wheat producers in this State would be disturbed to hear the Minister describe it as such. It is interesting to note that Government members said that the recent Industries Development Act Amendment Bill was not a proposal to socialise some of our industries, yet we have the Minister of Transport saying that he thought the C.B.H. venture was a socialist project. It seems that Government members are at loggerheads in describing a co-operative venture as being a socialist venture, and the proposal in the Bill to which I have referred as not being a socialist project. I support the comments made by other Opposition members. I believe in the present free enterprise system, and, as it is against my principles and philosophy to approve of this sort of measure, I oppose the Bill.

Mr. BLACKER (Flinders): I oppose the Bill for two basic reasons: first, because I believe in the free enterprise system and, secondly, because I believe that the way in which the Government is involving itself in the finances of the State in this way is a dangerous principle. I will elaborate on that point, because no other member has yet referred to it. I start by getting back to the question of why the Premier introduced the measure at this stage. Obviously, it is a double-dissolution measure and a means by which the Premier can apply pressure on the Opposition in this House and in the Legislative Council.

We should also consider the timing of the Premier when he announced the possibility of using this measure as a double-dissolution Bill, because that takes us back to February 18 when a press announcement was made of the possibility of a double dissolution. If we examined the organisation of the Opposition at that time, we would realise that Opposition Parties were becoming more organised with preselections for the proposed new seats and, generally, the impression being given by them to the public was that the Opposition was starting to become organised. What better way to throw the Opposition into chaos than to suggest that the election would not be on the proposed new boundaries but on the existing boundaries. Nominations were being accepted by candidates wishing to contest new seats, yet under the old boundaries they would be contesting the seat in their own right. That is the dilemma the Opposition Parties would have faced, and we were probably all affected in the same way. The Premier was able to throw the Opposition Parties into a certain confusion by not telling the people of the State or members of the Opposition which way he intended to jump regarding an election. By announcing the possibility of a double dissolution through this measure, the Premier would have the measure passed, place additional pressure on the Upper House to pass it, and stop the Opposition from organising itself. When the Bill was introduced in the House on March 28, 1974, the Premier gave a resumé of it. He stated:

In summary the Bill will facilitate the entry by the State Government Insurance Commission into the field of life assurance. The arguments in support of the entry of the commission into this field were exhaustively canvassed in the debate. The report suggested, however, that I should not go into them now, but I intend to do so. Since the measure was last before the House, the Government has had a working party working for a considerable time on the question of the State Government Insurance Commission.

The working party brought up a different conclusion from that arrived at when a State Government Insurance Bill was debated in 1970. In *Hansard* of August 5, 1970, the member for Torrens said:

The words "but not including the business of life insurance" in this clause are something to which I completely agree. The member for Adelaide suggested last night that the Bill was introduced in its present form because the inclusion of life insurance was one reason why a similar Bill introduced by the former Labor Government had failed to pass in another place. He gave us to understand that in a year or two an amendment would allow life assurance to be included in the business of the Government insurance office. As this question is extremely important in relation to the passage of this Bill and as life insurance is excluded from the present provisions, can the Premier assure the Committee that the Government insurance office is not likely to enter into the business of life insurance under this Government or in the future?

The Premier in reply stated:

The reason for our excluding life insurance basically was that we had an investigation made into the profitability of various forms of insurance in offices of medium size. A Government insurance office would be an office of medium size (not the smallest, but certainly not the largest), and it is not possible for an office of medium size to compete effectively in the life insurance field. . . . The only reason why originally we had included life insurance was that it was considered that there was an advantage in some policy areas of having people, who were insuring with the Government insurance office, able to take up life insurance in the same office but, frankly, those advantages were minimal as against the difficulty that we would face in being able to compete adequately with the terms of life insurance offered by the larger offices. In consequence, we decided that there were advantages in excluding life insurance, and we have no intention of altering that view.

We can see a different reasoning there compared to the Government's attitude now. In his second reading explanation of this Bill the Premier stated:

There are two basic reasons for the introduction of this Bill: first, that service in the life assurance field at present is not adequate. . . . The fact is that present life assurance companies have built an extraordinarily high cost structure into their selling of assurance by the payment of enormous commissions.

I challenge both of those statements. The Premier did not elaborate on the first reason he gave, and to date no Government member has really indicated what is meant by it. The second reason has not been explained either. Fleeting statements have been made about over-the-counter selling of life assurance, but that matter has not been elaborated either, and it shows a lack of knowledge and understanding by members opposite of the life assurance business. The Minister of Transport referred to the relationship between S.G.I.C. and the withdrawal by private companies from the third party insurance field. That was not a fair comparison for the Minister to draw, because different circumstances were involved. Private companies would still offer third party insurance if S.G.I.C. had not entered the field.

The Minister of Transport also referred to South Australian Co-operative Bulk Handling Limited. The bulk handling authority came into existence because the Government was not willing to provide facilities to handle this State's grain. The Government came to the party by providing shipping facilities from the outer extremity of the silo complex to the wharf. Regarding the provision of the total silo complex and the grounds on which the silos are situated, the Government did not contribute other than to offer a guarantee, in return for which the Government was entitled to have two Government appointees on the board of the authority. The Government assisted in allowing silos to be built on railway

property and in some cases on Government owned land, but a considerable fee for the lease was to be paid. The silos were provided by tolls paid by farmers on every bushel of grain that went into the silos during the period of the 12-year interest free loan. Although those facilities are technically still the asset of the co-operative—

The DEPUTY SPEAKER: Order! The honourable member has moved slightly away from the Bill by discussing bulk handling. I hope that he will get back to the Bill.

Mr. BLACKER: I apologise, Sir, if I digressed to a major degree, but the Minister of Transport said that the co-operative was a socialist enterprise, so it is only fair to put that in its correct perspective. Throughout the debate several members criticised the commission principle in selling life assurance. I wonder whether those members fully appreciate the implications of life assurance. As has already been said, none of us could go to an insurance office or commission and ask for a policy that would suit all our needs, because we do not know what we want. We must discuss our needs with an agent (whether or not he receives a commission) who knows all the forms of life assurance available and can advise us about the most appropriate policy for us. I cannot see how over-the-counter sales, for a system as complex as this, could work.

The member for Mitcham raised some points which I believe deserve comment. He indicated that he had changed his view from that of opposition to S.G.I.C. to that of support. I felt there was an anomaly in the argument he raised, because S.G.I.C., in its practice in the general field of insurance, has been operating in an insurance field which covers the insurer against theft, fire, natural disaster, accident, and so on. Life assurance cannot be compared with that type of insurance. We cannot compare it with theft or fire. With accident, it can be compared to a certain extent, but we are insuring against life and death.

I do not believe the Government should be in a situation where it can apply succession duties, on the one hand, and at the same time provide the measure by which people can insure against those amounts of tax which the Government has the authority to impose. A serious principle is involved. It may be argued that it is operating elsewhere, but that is no excuse. The Government does not have a moral right to impose succession duties, death taxes, and so on, and at the same time provide a measure saying, "We will protect you from these savage taxes by giving you an insurance organisation to protect you." It is a complex and involved matter, and I do not know the exact term for it. I know "pecuniary interest" is not the phrase, but it is so involved that I believe it is dangerous from a moral point of view. It is a principle which, as a Parliament, we should avoid at all costs.

That aspect has not been mentioned in this debate, and I am concerned that it has not been mentioned. It is a matter of major importance, and the Government should think about it very seriously before this is implemented. I cannot appreciate that one organisation should be able to tax the public and then provide a cover for it. It is a matter of which comes first: whether life assurance is provided and then the tax is taken away. Whichever way it goes, however, it is a bad policy.

The arguments presented against the entry of S.G.I.C. into life assurance have been well canvassed. The Premier has given his reasons why he opposes the 24 statements made by the Life Offices Association. I cannot accept that his reasoning for all of those statements is necessarily

correct. There is some element of truth and some element of question in each of the comments he has made. The member for Mitcham has said we are protected, as much as it is possible to protect the public by legislation, from the accusations within those reasons, but the arguments I have heard from insurance offices have been that they are not concerned with the competition. Just adding one other to the existing 45 is not the real problem; the problem is unfair competition and unfair advantage in gaining business.

It has been said that S.G.I.C. has unfair advantages in gaining insurance through its general business franchise, and that definitely happens. I have had experience of such a thing happening and for the Government to dismiss that here today is unfair. Certainly it is not an accurate thing for it to do. If the competition will be totally fair and the commission is one among a bunch of 45, I do not think there is any argument about that. If it is unfair competition, however, other companies will go to the wall. The Minister of Transport has told us this evening how S.G.I.C. is the only organisation left in third party insurance. If we ask why that is so and apply that to this matter we are getting to the crux of the matter, and we will see many life assurance companies go to the wall because they will not have free competition on an equal basis. When we see that happen we will see a loss of employment far greater than the offsetting gain in employment that could be offered by the introduction of a new life office. I am concerned that, earlier in the debate, the Premier said that he did not have life assurance cover. To me, as a layman, that is a matter of concern. If the Premier has not got life assurance cover, why should anyone else have it?

Mr. Keneally: I haven't.

Mr. BLACKER: If the member for Stuart does not have it, why should anyone else have it? Is there a need for life assurance cover? Why should some people in this State not have it when others are forced by their situation to have it? Is there a different set of circumstances for some people?

Mr. Nankivell: Yes.

Mr. BLACKER: Why? Here we are providing a means of obtaining assurance for some people in the community, while in the same debate we have admissions that it is not necessary to have it.

Mr. Keneally: What about the—

Mr. BLACKER: I know there are ways and means of getting around life assurance. There are trust funds, and various other ways of getting around it, but only certain people can avail themselves of those opportunities. They are the people who develop their interests into a business and who can engage the best of lawyers and accountants, and they can get around it. The average man in the street cannot do that. I thought this was what the whole thing was about. There are basic reasons on why we should question the whole system. It appears that we have different systems for different people. I reiterate that I support the private enterprise system. I do not believe the Government has a right on one hand to provide taxation measures that it is going to draw from an estate and, on the other hand, encourage through its own insurance agency measures to protect against that tax. This is a questionable right that the Government should avoid completely, and I cannot support it. The Government has a vested interest in life insurance, for the reasons I have been explaining, in that it uses the Succession Duties Act as a taxation measure.

I believe the situation involves far-reaching problems, and it boils down to succession duties. We see populations

being transferred by taxation, and simply providing an insurance commission that will offer cover for life assurance is not doing anything to assist that. We have seen the situation in Queensland. The Queensland Premier has been ridiculed many times, but he has removed succession duties and Queensland has benefited greatly by the number of people who have moved to that State for that reason. Admittedly they are high finance people, and I do not think they are going there just for the climate, but the Queensland Premier and his officers are pleased with the input because of that aspect. South Australia and other States are being emptied out, to the benefit of Queensland, because of this. We are seeing masses of finances leave this State and other States for that reason. On Friday, January 21, an editorial appeared in the *Advertiser*. Although it was referred to earlier in this debate, I shall refer to it, because it sums up my feelings. It states:

It is impossible not to challenge Labor's motives. There is no discernible public demand for a Government life assurance service. Indeed, 12 months ago, precisely the contrary wish was manifest. No detailed evidence of any need for Government competition in this already intensely competitive field has been produced. Nor will the public be easily persuaded that any Government corporation and its employees can be inherently more efficient than—or even as efficient as—private enterprise . . .

In short, the South Australian Government pays lip service to the principle of fair competition in a mixed economy. But its actions belie its words, and it is hard not to agree with a spokesman for the South Australian branch of the Life Offices Association who said yesterday that "this move is purely an attempt to shift control of funds from the private sector to the public sector. It is political, socialistic."

I oppose the Bill.

Mr. MATHWIN (Glenelg): I believe I should make my position quite clear in this matter. I oppose the Bill, because as a Liberal I oppose nationalisation of this industry. It was interesting to listen to the member for Ross Smith speak this afternoon. He gave us a detailed talk and explained to the House how lucky we were that we had nationalised industries. He proudly stated the advantages we had in air services because of Qantas. We all know that Qantas has made landing in Australia a closed shop for foreign companies. It is impossible for any airline company to bring charter flights into Australia, because Qantas will not allow them to come in, yet from the United Kingdom one can make a return trip to Australia for about \$400 or \$500 less.

Mr. Keneally: On a nationalised airline.

Mr. MATHWIN: On a charter flight. Qantas say that passengers have to pay \$1 300 or \$1 400 for the return trip. The speech by the member for Ross Smith was far from the things that really matter. The Minister for Transport spoke for a long time but never mentioned the Bill before us. He went on about the great advantages of the third party insurance system and said that the Government was asked to take it over by the private companies. All he did was convince the House that, as far as he is concerned, as Minister there are more ways of killing a cat than drowning it, because he forced the industry to ask the Government, as he did with bus services—

The DEPUTY SPEAKER: Order! There is nothing in the Bill concerning the bus services in this State. I allowed the honourable member to speak about Qantas, but I do not intend to allow him to continue speaking about bus services in this State.

Mr. MATHWIN: I was merely answering a point the Minister made this afternoon. No doubt the bus services are insured by the S.G.I.C. The point about how the

Minister for Transport in his usual manner was able to carry out a takeover in a neat, quiet, stealthy way has been made. We know the reason for this Bill and a number of other Bills that have been before us recently. If we look in the book I now produce (now in a cover of the correct colour, red) we will see on page 7, dealing with the rules of the South Australian Labor Party (and so important is the matter we are debating that it is No. 2 under the rules), that the objective of the Party is the democratic socialisation of industry, production, distribution and exchange. That is what it is all about. The whole basis of this Bill is the socialist plan, which is well stated in this book of rules. I want to know who approached the Government requesting the introduction of this legislation. The Premier is well known for the stand he took the last time this matter was debated in the House. I recall it with great glee.

The Premier has done a neat bit of footwork and changed his ideas. He then said, "We have no intention at all of going into life assurance." Now, after a neat back flip, the Premier has all the intentions in the world. When he made that reply it was perhaps in the heat of debate, and perhaps he forgot rule No. 2 of his Party platform, because he has now changed his mind completely and wants to be in it right up to his ears.

Members interjecting:

The SPEAKER: Order! There is far too much private debate going on.

Mr. MATHWIN: The Premier had a working party investigate this matter. The investigation lasted for three months, and from information which I have given and which I have taken as being correct, I believe that this working party sat seven times and came up with a statement about what great advantages would accrue and how great it would be for the community for insurance to be a nationalised industry. If the best that a working party can do is meet on seven occasions, I think it is very poor. The Premier says that it is to be an over-the-counter service. One takes it that all the private companies will do the research, get the costing for the different inquiries, and these costings will be given to the over-the-counter salesmen in S.G.I.C. who will give an estimated counter cost using the figures produced by the private companies. This is what the Premier wants. He said that there was a need for this, yet we have many different insurance companies operating in this State. I challenge the fact that the community has said that there is a need for life assurance in this State. We have seen similar moves before. We dealt with a Bill on industrial development yesterday (a Bill I call a Bill of bluff) in which we had another matter—

The SPEAKER: Order! I point out that the Bill on industrial development has no relationship to the Bill we are now debating.

Mr. MATHWIN: I am trying to tie up the finance situation. The Premier and the Government want to get their hands on all the finance and turn it to their own advantage by nationalising different forms of private enterprise in the State. That is why I referred to the Bill we debated yesterday.

We want to know the Government's intentions regarding the banking system in this State. One knows about the failure of socialism and how it is paid for by the people. The Government believes that it can look after the people's money better than they can themselves. We know that the basis of socialism is high taxation, and that is why, as a Liberal who believes in private enterprise and reward

for incentive and for merit, I cannot support the Bill. I do not believe in nationalisation of industry and, therefore, I see no merit in the Bill. The only advantage gained by passing the Bill would be to give the Premier even more power, for which he is always lusting.

Mr. DEAN BROWN (Davenport): The case against the Bill has been both convincing and comprehensive. I intended merely to go through and pick out what I think have been the pertinent points raised during debate. The first pertinent point was what the Premier previously said on the issue of the commission's entering the life assurance field. I go back to his speech in the House on August 5, 1970, appearing at pages 527 and 528 of *Hansard*, where he said:

The only reason why originally we had included life insurance was that it was considered that there was an advantage in some policy areas of having people, who were insuring with the Government insurance office, able to take up life insurance in the same office but, frankly, those advantages were minimal as against the difficulty that we would face in being able to compete adequately with the terms of life insurance offered by the larger offices. In consequence, we decided that there were advantages in excluding life insurance, and we have no intention of altering that view.

That is a most pertinent point. In 1970, the Premier said that he did not intend for the commission to enter the life assurance area. He gave then the only advantage he could see as being gained from that, and that was the point of comprehensive coverage. He said that the opposition from the existing life assurance companies was so great that it well and truly overrode any advantage of entering the field. So, we see that the Premier, within seven years, has been dishonest to himself and to the Parliament, and, more importantly, to the public. The Premier has completely flipped his policy and his lid on this issue. He has been double-faced and has adopted double standards. How can we possibly believe anything he has said on this occasion when we find that he was completely dishonest on the last principal occasion he spoke when the legislation was originally introduced in the House?

The next area I thought was pertinent was the need put forward by Government members as they saw it from the commission to enter the life assurance area. I have already covered the point that the Government saw only one small need in 1970, but it has totally changed its ideas now. Four needs were mentioned. The Premier was critical of the type of policy offered by existing life assurance companies, and dealt with that matter at some length in his second reading explanation. However, what he did not mention was that the range of policies offered was probably as comprehensive as any to be found in any country in the world. At an international actuarial conference, the Australian policies were praised because of their comprehensive nature, but the Premier ignored that. If one looks at the working party's report, a so-called specialist report to look at the various points why the commission should enter the life assurance field, one sees that the working party was generally critical of the type of policies. The only specific policy referred to as not being offered at present was equity-linked insurance; such insurance has been around for 15 years, so that is not new. The existing offices are virtually prevented from marketing such policies, because the Commonwealth Life Insurance Commissioner will not permit them to do so, under Commonwealth legislation. Therefore, the only new type of policy actually proposed in the working party's report has been declared inadmissible by the Life Insurance Commissioner.

One starts to question what new policies will come from the commission's moving into the area. So, we can see that the first need outlined by the Government was false. Let us now look at the second need, namely, the method of selling life assurance. The Premier was critical of the commissions received by people selling for private companies. He became emotional and talked about the tremendous rip-off the companies made through their agents, and he quoted figures on the administrative costs. However, in quoting them, he did not analyse the way in which the situation directly related to the reasons for the variation between the costs, namely, that the commission was in an area of insurance in which there was no competition. As it was the sole insurer, it had no advertising costs, and few administrative costs in the selling of policies in that area. The Premier ignored that; yet, if he had taken that into account, he would have found that those costs, as opposed to private life insurance companies' costs, were similar. In looking at the second area of need proposed by the Premier, that is false, too.

The Premier has made some ado again about the point that a person cannot go in and buy a life assurance policy over the counter, but I am assured by several life offices in South Australia that it is possible to go in and buy a policy over the counter. A person can walk into the A.M.P.'s building any day of the week, speak to an agent, and buy a policy over the counter. It is unnecessary for an agent to call at the buyer's house or office. Only few people buy over the counter. The A.M.P. office is not the only office that sells over the counter; I understand that many of the other large offices also sell over the counter.

The third reason for the need put forward by the Premier was the retention of funds in South Australia. The Premier did not refer to the 30/20 rule imposed on private life assurance companies under Federal law. I discussed this matter when referring to another Bill yesterday; 30 per cent of funds must be deposited with semi-government or Government securities. That is a Commonwealth Government regulation, and private companies have no control over that. Moreover, 20 per cent of the total funds must be deposited in Commonwealth Government bonds. In putting forward his biased and partial case, the Premier did not refer to that matter at all. If 20 per cent of the funds go to the Commonwealth Government, of course some are going out of the State, but regarding the other 80 per cent the Premier has not produced any figures to prove that what is going out of the State is in any greater proportion than perhaps some of the S.G.I.C. funds. I was interested to see the reply last week that S.G.I.C. reinsured in London and not in Australia or South Australia, so that funds are going to London. The Premier's own insurance company has breached the reason that he is putting forward as to why he should move into this area.

The fourth need is for control of funds. I will not try to refute that. It is part of the Premier's socialist philosophy, his dictatorial attitude, and his megalomania need to control the capital resources of this State, no matter what restrictions are imposed on industry. This reason will be judged on its merits and by the way business has condemned it; I do not need to comment on it. They are the four needs put forward by the Premier and his cohorts, but I believe there is no real justification for S.G.I.C. to move into life assurance. When we consider the only reason he could scrape up in 1970, there is less reason for S.G.I.C. to move into that area.

I refer to the third main argument put forward in the debate by the Premier (and he referred continually to it)

that a working party had recommended that S.G.I.C. move into life assurance. Let us analyse the working party's report. First, we should consider the people who prepared the report. I have respect for the ability of some of the members of that working party. I do not know all of them so I cannot comment on some of them, but there seems to be no special expertise in life assurance held by any member of the committee. However, the committee was set up specifically to consider the feasibility of S.G.I.C. moving into life assurance, although no member had specific expertise in that sort of insurance. One member was Mr. Inns, who at that stage was Chairman of the Public Service Board and aspiring to be Director of the Premier's Department. When the report was presented, it had been announced that he would be the next Director of that department. One would expect a biased point of view from him, because he had to maintain Government policy.

Other members included Mr. Bakewell, who I think is a capable person in finance, and is the new Director of the Economic Development Department, and a person who would like to see an increase in funds available to the Government for reinvestment. He would be one person who could see great benefit if S.G.I.C. could increase the reserves of funds available for investment. Then there was Mr. Gillen, General Manager, S.G.I.C., a person I understand who is held in great respect in the insurance world, but who has no experience in life assurance, although he has it in general insurance. He must be considered as having a biased point of view, because he would like to see his area of influence expanded through S.G.I.C. Then there was Mr. Whelan, an actuary, but I cannot comment on his qualifications, although I understand that he does not have any special knowledge of life assurance. I think he is the Public Actuary.

Dr. Tonkin: Is he on probation, or has it been confirmed?

Mr. DEAN BROWN: I am not sure whether he has been confirmed or not, and that could have influenced him, but that would be an unfair accusation.

The Hon. G. R. Broomhill: What do you mean by "influence him"?

Mr. DEAN BROWN: I think that would be an unfair accusation to make. I said that I understood that Mr. Whelan had no special knowledge of life assurance as an actuary. The committee must be a biased committee, because of its members, and I do not mean that as a personal reflection; every person has a bias. The person who chose members of that committee should be criticised for selecting such a biased committee. These people had their natural biases, and one must expect that. Let us consider the recommendations and conclusions of the report. The first point is the objections to S.G.I.C. moving into life assurance, but in its conclusions the committee dismissed that matter with the following single sentence:

The objections to such a conclusion lack force. I analysed carefully each objection in the body of the report, and what interested me greatly was the fact that the committee left out most of the important objections. The objections were rather select, and some were left out. That action perhaps reflects the bias of the committee. It emphasises that the report presented to the Government was inadequate, superficial and not comprehensive and not done on the sort of commercial basis one would expect done, if one were considering a major new venture such as we are. It completely ignored the aspect that

S.G.I.C. would not be paying income tax to the Commonwealth Government, and whether or not S.G.I.C. would come under the requirements of other Commonwealth legislation.

There are about four or five Acts that S.G.I.C. would possibly not come under whose provisions are imposed on private insurance companies, but the committee ignored those aspects. One can only conclude that the committee considered a select list of objections that it could knock down. It did not refer to the important objections that have been referred to in this debate. The committee did not consider the area of competition, and whether, if S.G.I.C. moved into life assurance, there would be fair competition with private companies. Yet, there is a comprehensive list of areas in which S.G.I.C. would not be competitive, but the committee did not refer to it. The Premier promised to refer to them, but in his second reading explanation he selected one or two minor ones and ignored the main ones. He referred to the one about whether S.G.I.C. paid fees to the Auditor-General, and he referred to the payment of State taxes and pay-roll tax, but he ignored the principal ones, no doubt for reasons of convenience for his own argument. That is a shabby trick for any person to play, and it is even shabbier still for the Premier of this State to put that argument before Parliament. Realising the working party's report is obviously biased because it touched so briefly on the objections, I now turn to the advantages it saw coming from S.G.I.C. entering this field. It listed five advantages which I do not believe are particularly important to this Parliament or to this State, because surely we could think of many advantages in any area of Government set up purely to improve that select group. This Parliament has a responsibility to the entire State and not just to a small group of people. Sure, certain advantages exist.

The first advantage seen by the working party was that greater career opportunities would be created for the staff involved. One cannot argue with that. The second advantage is that maybe a more efficient use of resources could be made. A similar argument could be put the other way, too. Certainly, as is suggested in the third advantage, S.G.I.C. could offer a slightly more complete service. That was the only argument that could be given in 1970. Even in 1970 S.G.I.C. was willing to dismiss that argument, but not today because its political motivation has changed. The working party talked about increased profitability. When we consider the actuarial basis of calculating S.G.I.C. funds it is difficult to calculate whether any real profit has been made. A surplus of income over outgoing moneys has been obtained, but when long-term liabilities are viewed against that one questions whether a realistic profitability has occurred. S.G.I.C. has shown a profit in only one year of its operation, and we certainly would not judge profitability on one year's performance. If we took profitability on a year's performance one would see more losses than profits, so perhaps we should consider that if we are considering superficial arguments.

I now consider the advantages listed for South Australia. These are the important advantages. I have already covered most of them when considering the need whether S.G.I.C. should move into the area of life assurance. The first is the advantage of increased investment in South Australia. As I said, the Premier has not really put forward an argument that he can achieve that, especially as he has made no calculations of the amount of funds that some insurance companies may invest in a company like Broken Hill Proprietary Company Limited in Melbourne that would flow back into Whyalla. The Premier

has made no estimate of that in his figures. In fact, he has not really put up a case to justify his argument in that area.

Secondly, he has put forward the argument of the control of investments in South Australia. This Government being a socialist Government and the Premier a dictator, no doubt the Premier would like to do that, so I will not question that matter. However, I do not believe that the Government should control investment. The third advantage suggested is that consumers would have a choice between private and public insurers. Frankly, I believe that an adequate choice exists in the private sector now. I do not believe that the public wants a choice between public and private insurance. The Premier might want that choice because of his hang-ups, as might other members opposite, but the public does not want it. All the public wants is a good and comprehensive service, and that already exists.

Mr. Langley: Have you ever heard of—

Mr. DEAN BROWN: I realise that the member for Unley has not spoken in this debate so he is trying desperately to throw in a few weak interjections. His interjections are so weak that he is unwilling to speak in the debate. I would ask the honourable member to show me the same respect and at least listen to what I am saying against the Bill. Anyway, his mind is probably closed on the issue. That is unfortunate, but I know that the minds of his colleagues are already closed. The honourable member should at least allow *Hansard* to record the debate accurately. The fourth advantage that will apparently flow is the influence on the market, in terms of improving policies and service and restricting premiums. I have already covered that matter. I do not believe that the range of policies will be increased and I do not believe that any real advantage will be served by this type of selling technique. That argument is not valid for South Australia.

The final advantage relates to consumer orientation of S.G.I.C. I am not sure what the working party is trying to put up there. I know that it argues that S.G.I.C. exists for the good of the State and that it ran some advertisements for that purpose, but those advertisements were rather spurious as far as facts were concerned. The working party talks about having selected 10 or 20 independent premiums that were all lower than premiums offered by private companies. I quoted 25 workmen's compensation premiums where S.G.I.C. was higher in its premiums than the private quotations. We can pick out the figures we like. I know that I picked a select group of figures, a fact I admitted at the time. At least I was willing to admit it and not hide behind the dishonest shabby deal behind these advertisements, which claim that S.G.I.C. went out at random and obtained 10 quotations without quoting the source or whether an independent group conducted the survey.

Another pertinent point that should be raised is that if the Premier believed that the present system was in any way deficient I would have thought that the first thing he would do before setting up an entirely new system in competition with the existing system would be to request those companies already operating in this area to amend their practices. We are not all perfect, most of us would admit that we are not, that is, all except the Premier. The Premier has not attempted to go to private companies and ask them to amend their practices to cover certain deficiencies that might exist; instead he has decided he must set up an entirely new enterprise in competition with those companies.

The Hon. D. A. DUNSTAN (Premier and Treasurer) moved:

That the time for moving the adjournment of the House be extended beyond 10 p.m.

Motion carried.

Mr. DEAN BROWN: The Premier has not put forward an adequate case why S.G.I.C. should move into life assurance. Equally, the working party has not put forward an adequate case. Instead, it has put forward a superficial case that does not consider the financial details or the commercial basis for such an operation. I was quite disappointed at the level of the study put forward by the working party. I know that the Premier holds the staff college at Mount Eliza in high regard. I attended that college and know that it would have dismissed such a report out of hand as being totally inadequate. If a group of academics is willing to do that, why does not the Premier accept this report when it will affect the whole State? The case put by the Government has been totally inadequate. The Premier's arguments have been shabby. His accusations, especially against people outside, have been disgraceful. I oppose the Bill and I hope that other members will do likewise.

Mr. VENNING (Rocky River): I oppose the Bill. I am pleased to see that the Premier considered the measure significant enough to return from Canberra this evening. I would suggest that, for the past couple of days, it must have been like a breath of fresh air for him to be with a Leader such as Malcolm Fraser.

Mr. Becker: Did he learn anything there?

Mr. VENNING: The Premier would have sufficient ability to learn from him, and I hope that his visit to Canberra—

The SPEAKER: Order! I trust that the honourable member will get back to the Bill.

Mr. VENNING: I will, Sir. This afternoon, in the absence of the Premier, the Minister of Transport deputised for him and went all over the place when speaking to the Bill. I even thought he would deal with the railway transfer agreement. He also dealt with bulk handling, which has nothing at all to do with this legislation. I do not believe for a moment that this is a double dissolution Bill, despite the propaganda of the Premier threatening members in other places that he will go to the people.

Members interjecting:

Mr. Langley: Will you call his bluff?

Mr. VENNING: Yes, I will. I do not believe it is a double dissolution Bill, and I hope people in this Chamber will oppose it and that the Upper House, the House of Review, will treat the legislation as it sees it. My colleagues have covered the various aspects of the Bill, and the member for Davenport spent some time on them. I wonder how the Premier is going to get over one point. He is saying that he did not say in 1970, when he introduced the legislation for the State Government Insurance Commission, that he would not include life assurance. He denies having said that, although my colleagues are saying that he did say it on that occasion. I wonder how he will get around that tonight. Many people have had the wool pulled over their eyes over this matter. Even the member for Mitcham has changed his colour. I believe he is a victim of the propaganda of this Government. He has said tonight that he goes along with the legislation. I am amazed at the way people have been hoodwinked by the Government in this regard.

I believe the Government has been dishonest in this, and it is up to the Premier to talk his way out of that aspect of it. I believe the accusations made by members on this side regarding people having been compelled, having applied for loans from the Savings Bank, to take out insurance with the S.G.I.C. Only last week my nephew, a legatee who comes to me for advice, showed me papers concerning a deposit he had paid on a house. Included among them was a paper from the S.G.I.C. pointing out that it would be necessary for him to take out his insurance with that office. This is not the first occasion on which I have seen this. A young man in my district who had received a loan from the Savings Bank was asked to take out his insurance with the S.G.I.C. He told the country agent that he could jump in the lake, and withheld the direction from the management to take out this insurance. I would say to anyone who is not happy about taking out Government insurance to stand fast, and I believe the Government will back down.

Mr. Becker: Don't you believe it.

Mr. VENNING: They try it, but I should like to see it put to the test. I believe the Government has backed down when the pressure has been applied. The member for Glenelg was accused tonight of getting away from the subject when he spoke of private bus owners, but in talking about a Government insurance Bill and what it did in relation to third party insurance, how it would not permit the private enterprise companies to increase premiums on third party insurance but squeezed them into submission to the extent that the Government took up the third party, as a parallel I think it is relevant to mention the situation of the private bus owners. The Government will not allow them to increase their charges, and their costs have increased to such an extent that private owners have had to get out and the Government has taken over the private buses. There is a parallel with the third party situation.

Mr. Becker: It is socialist dictatorship.

Mr. VENNING: That is so, and I do not believe the people in this State will wear it. It has been said that the Government insurance office is not bound by the Trade Practices Act. We know that. The Premier, as Premier and Treasurer, is able to direct large sums of money from the S.G.I.C. Whilst it can be in South Australia, he can direct it wherever he wishes, irrespective of what Parliament thinks about it. It could be for political favour that he might direct these Government funds, which I believe is a grey area of dispute.

Since the S.G.I.C. has been in operation, I asked one company officer what it had been doing to his company. He said, "It is not doing a great deal to our company because we deal mainly with country insurances, but it is getting into our staff, offering higher wages to buy our key men." I believe this will be the operation of the Government in taking over life assurance. It will go to insurance companies with key men and, with its method of buying, it will buy those key men into the Government department to set up its insurance operation. This is another angle of questionable activity on the part of this Government. I oppose the legislation, and I hope members on this side will oppose it entirely.

Mr. GUNN (Eyre): I am totally opposed to the Bill. It is only small, but very nasty. On reading the Bill, one must consider the ultimate aim of the Government and the object of the exercise. It is not a matter of allowing the S.G.I.C. to write life assurance; the argument goes far

beyond that. We are dealing with a measure which is fundamental to the programme of this Government and to the philosophy of the Labor Party. It is totally in opposition to the principles, policies, and philosophies of the Parties on this side of the House.

It is quite clear that, if this legislation is passed, we will be taking one further step down the road by the Labor Party to set up its joint financial organisation for this State: the amalgamation of the trading bank, the State Bank, the Savings Bank, for the creation of a State finance corporation, so that it can control all the funds in this State. We have had many denials from the Premier, but an examination of the Australian Labor Party *Rules, Platforms and Standing Orders* of June, 1976, on page 69 under the heading "Trading—Savings Bank of South Australia" states:

Expansion of the State banking system to provide for the amalgamation of the State Bank and the Savings Bank of S.A. and placed under the control of a governor to be developed along the following lines.

The SPEAKER: Order! I trust the honourable member can tie this in somehow with the Bill.

Mr. GUNN: Most certainly, because the matter before the House is part of the programme which this Government has to take over the financial affairs of this State. It is quite relevant to display clearly to the people of this State what are the ultimate aims of this Government. I hope I shall be able to continue, because it is a fundamental principle in this State that, when members are opposing a matter before the House, they have the right to explain clearly to the people the intention of the Government. The quotation continues:

- (a) A State-wide Trading Bank handling the ordinary business of the community.
- (b) A Savings Bank performing the ordinary functions of such a bank.
- (c) A hire-purchase department, providing finance for the purchase of farm implements.

It then mentions two or three other points that are also relevant. It is clearly stated in that document what the ultimate aims are and if the State Government can use the funds of the S.G.I.C. to attain those objects it is obvious what is going to happen to the whole financial situation in South Australia—the Government will be in the position to control it. It is a well known fact that if the Government controls the finances of a State it controls everything. It will then be able to control the every-day affairs of John Citizen. It is a simple matter, and the Premier and those who sit behind him know that. That is what this Government is setting out to do.

The Premier, when he introduced this legislation, launched a strong attack on the insurance industry in general. The attack was not based, in my opinion, on any logical formula because he relied greatly on the working party's report, a report that has been well analysed by the member for Davenport. One need not say anything more about that report, except to point out that it was quite inadequate and that the Premier must be living in cuckoo land if he expects people to accept it. He has probably been reading *Alice in Wonderland*, because that would have as much relevance to the situation as that report would have to the general life assurance industry.

I refer to a statement that the Premier made on August 5, 1970, on page 527 of *Hansard*, when he gave a clear undertaking that the State Government would not be moving into the field of life assurance. We have seen the Government completely forget about the Premier's undertaking, which has now been dishonoured. I do not know whether, if the Premier goes back on the

solemn undertaking he gave, we can take his word on any other matter. When the Premier gives an undertaking in Parliament, it is generally accepted that the people can take what he says at face value. It is obvious that this Government will say anything, as long as it achieves its ultimate objectives. The Premier said one thing on that occasion and now, a few years later, completely disregards it. He has not even attempted to explain why he gave that undertaking—he just totally disregards it. That is a poor state of affairs. I have opposed this legislation on each occasion it has come before the House, and I again oppose it now because I do not believe that any long-term benefit will flow to the people of this State.

I believe that the insurance industry, even though it may have one or two imperfections, has served the people well. As one who believes in life assurance (and I make no apology for saying that), I believe that there are adequate people in the field to service the needs of the community. I make no apology for supporting the case put forward by the people engaged in the industry, and I sincerely hope that this measure will not become law in this State.

The Hon. D. A. DUNSTAN (Premier and Treasurer): I have sat and listened to what has come from honourable members opposite this evening. I can only say that the amount of attention that they have given this Bill was not evident in the speeches that they addressed to the House, most of which did not have terribly much to do with the Bill. There was a great deal of abuse, personal and otherwise, involved in what was said and they proceeded then to deliver to us not lectures about the Bill but lectures about their own philosophy. All one can say, having listened to what they call their philosophy, is that they would be called completely illiterate on this subject by most philosophers.

Let us turn to the few matters they saw fit to deal with relating to the Bill. First, several members said something about the position of the third party policies in this State, the compulsory motor vehicle policies, and how terribly the private insurance companies had been dealt with in that regard. They cannot have believed what they said about that. The insincerity of their remarks was patent. In the third party field the premiums were fixed by an independent authority upon which the insurance companies had representation, and that authority was chaired by Mr. Justice Sangster. There were also representatives from motoring bodies and the insurance industry.

Mr. Nankivell: What are the terms of reference?

The Hon. D. A. DUNSTAN: The terms of reference have applied for many years.

Mr. Nankivell: What are they?

The Hon. D. A. DUNSTAN: I do not have the specific terms of reference in front of me. However, the provisions under which the committee operates are to see to it that there is a coverage in third party and that appropriate premiums to cover third party insurance business are struck. It is a premiums committee, and it is representative of all interested parties including the insurance industry, which is involved. During the period that the private insurers were involved in the industry they had representation on that committee. At no stage of the proceedings was it—

Mr. Nankivell: It is the most profitable area of insurance for the State Government.

The Hon. D. A. DUNSTAN: The fact is that the premiums were struck by an independent committee which was set up under legislation not of this Government but of the Playford Government. It operated under Liberal

Party legislation, and when the Government of members opposite was in office it maintained that committee as the means of establishing the premiums on third party policies. This Government in no way interfered with the operation of that committee, which was an entirely independent one. Honourable members opposite are now saying that some how or other this Government, through the operations of that committee, which was their creation, drove the poor impoverished private insurers out of business when in fact what happened was that the private insurers were not particularly impressed with third party business generally and thought that by dumping the whole of it on the S.G.I.C. they would face the commission with their total loss situation. They were not prepared to provide that service to the public, and they believed that it should be provided only through the commission when they thought that the commission would make a loss. In fact, what has now happened is that we are just covering the cost of third party insurance in the commission: we are not making a loss on it.

Mr. Becker: You've increased the premiums, though.

The Hon. D. A. DUNSTAN: There were increases in premiums under the previous regime when the private companies were in the business.

Mr. Becker: Not for the last couple of years.

The Hon. D. A. DUNSTAN: There were regular increases, and again I point out to the honourable member that that committee was established as the appropriate committee by a Liberal Government and maintained by it, and the insurance industry had representation on it.

The Hon. G. T. Virgo: And still has.

The Hon. D. A. DUNSTAN: Despite what was said about the S.G.I.C. being a dreadful monopoly, it is the only insurer in this area because it is the only insurer prepared to be in the area. If the private insurers wanted to get back into the area they could easily apply to come back. Members opposite said that the S.G.I.C. was not subject to the Trade Practices Act. It has always operated on the basis that because of our legislation, the terms of which have been quoted tonight in the House by the member for Mitcham, it is subject to the Trade Practices Act. In fact, the private industry believes that the commission is subject to the Trade Practices Act, because it has taken some objections to the Trade Practices Commissioner concerning the commission. Private industry knows that the commission operates on the basis that it is subject to the Trade Practices Act.

Mr. Venning: Is it?

The Hon. D. A. DUNSTAN: I explained the basis on that only a few moments ago. The honourable member does not want to listen.

Members interjecting:

The SPEAKER: Order!

Mr. Dean Brown: It's not subject to the Act, is it?

The SPEAKER: Order! The honourable member for Davenport is out of order.

The Hon. D. A. DUNSTAN: The member for Flinders waxed eloquent at one period and said that I was suggesting that the commission should write life insurance, when I said that I did not have any myself. I do not have any at present, and I told the House why. I cashed in my insurances, because I objected to the practices of the private insurers with whom I was insured.

Mr. Mathwin: What about your super? You don't need it. You get the top rate now. You never get any better.

The Hon. D. A. DUNSTAN: In that case, that is another explanation to the honourable member, is it not? He is saying that because I, according to him, do not need it, no-one else in the community needs it either. He cannot have it both ways. The member for Davenport proceeded to deal with the working party's report and, waxing in his usual pejorative terms about me, said that I had ignored the principal objections and so had the working party's report and that, when I had dealt with the objections of the insurance companies here, I had ignored the principal one. I went through the document paragraph by paragraph without missing any of the things it had included in it. Not one of the objections made by the insurance companies was valid, and they know it. I had another member say that I had just come back from Canberra, where I had got some good advice and friendly treatment from his Party colleagues. So I did. Some of them said to me that they could not understand why the South Australian Opposition should object to this move, because, where there was competition between public enterprise and private enterprise, that quite often kept private enterprise honest. They instanced a number of fields in the Federal sphere such as the two-airlines policy, which they said was perfectly consistent with Country Party and Liberal Party policy, and they said that they could not understand what the Opposition was talking about. I assure the honourable member that I got something out of my visit to Canberra, in that regard as well as in other regards.

Several members said how it was dishonest and improper, and made various other extravagant statements of this kind, that in 1970 I outlined the basis on which the Government had originally thought we should enter life assurance and the reasons that had been given to us why we should not enter life assurance. I detailed those reasons to the House and said that, as a result of those, we had no intention of entering the field. The basis on which the statement was made was quite plain. As I explained to the House earlier, every one of these bases I cited to the House has been proved wrong. As we have detailed, the present position, pointed to by actuaries, by writers on the insurance industry and by people in the insurance industry themselves, is that the present system of the selling on commissions of policies other than term policies is a poor one, and it is serving the public poorly. The statement I made as to the basis of our intention then was that the public was getting good service, whereas the information we now have is that it is not getting good service.

The second basis was that there was not a good economic base for starting into life insurance with a medium to small office and, therefore, there would not be an advantage in being in the business. The commission is not a small office: it has grown far beyond what we expected it to grow at the time we introduced it. It has had the greatest growth of any insurance business in the history of Australia. It is, in consequence, a large office. It is, in South Australia in total, a larger general office than is the A.M.P. general assurance for the whole of Australia. In consequence, it is a sizable office.

Mr. Millhouse: I don't know that that's much of a comparison really.

The Hon. D. A. DUNSTAN: The reason I make the comparison is that the life insurance companies have been talking about losses in the commission. I happen to have the figures for the losses for the A.M.P. general assurance in front of me, and the comparative figures, so I was comparing the two offices. The A.M.P. fire and

general assurance Australia-wide (writing no third party policies, of course) had a premium income in 1975 of \$22 150 000. The commission had a premium income in 1975 of \$25 670 000. The underwriting loss of the A.M.P. fire and general assurance was \$7 380 000, whereas the underwriting loss of the commission was \$3 380 000. Investment income of the A.M.P. Australia-wide was \$2 830 000, whereas the commission's was \$1 850 000. The net loss to the A.M.P. was \$4 550 000, and to the commission \$1 530 000. They are interesting comparisons, because another point that members opposite and the insurance companies have been making is that somehow or other the commission is inefficient and will make great losses at the taxpayers' expense, compared to the probity and efficiency of the private sector.

When one contrasts the performance of those two companies, one sees how much basis there is for the kind of contention that has come from some of the life assurance offices in this argument. The commission has had an extremely good basis of operation; it has operated well, and it has built up adequate reserves from which it can finance its expansion into life assurance. It will not need to call on taxpayers' funds at all. The only taxpayers' funds it has ever had was a \$60 000 advance, repaid within eight weeks at interest. What is before us at present is a proposition that there should be a Government Insurance Commission, already established and giving good service to the people of South Australia, competing in the field of life assurance. It is extraordinary to find Opposition members who claim to be advocates of competition saying in no circumstances can we have the commission competing in South Australia—let it not compete, let it keep out all the time, and leave it to private insurance.

In actual fact, there is every reason for South Australians to want the commission to be in the field. They have shown that clearly from the requests that have been made to the commission and requests for the kind of service it gives. Right at the moment we find that the life assurance companies have been saying that it is very inefficient (the Opposition has said that) in life assurance for it to be sold without a commissioned sales staff. It is extraordinary in those circumstances to find the following article, headed "NRMA enters the life field with cheap term policy", in the *Financial Review* of February 24:

NRMA Life Ltd's establishment costs are approximately \$2 500 000 . . . The company's licence is the first to be granted in Australia since 1972. The policies offered will be of a pure term death cover nature, with an inflation-proof option, and will enable a man aged 30 last birthday to buy \$10 000 worth of cover for as little as \$29 a year.

This premium rate is on a par with group premium rates and its cheapness is achieved by keeping selling costs to an absolute minimum by cutting out the sales force and commissions and using direct mail technique to members whose names and addresses are on the association's computer.

Mr. Becker: Is that an accident policy?

The Hon. D. A. DUNSTAN: It is a life assurance policy. We have been talking about term policies. How can it not be life assurance when this company's business had to be licensed by the Commonwealth Life Assurance Commissioner? If the honourable member does not think that term policies are in the field of life assurance, I am amazed. He himself is associated with a company in the insurance field. I am satisfied the Bill will pass this House. To ensure that it is quite clear to honourable members in another place what the Government's view

is of this matter and having completed my remarks on the second reading, pursuant to contingent notice, I move:

That the Speaker do count the House and do declare whether or not the questions of the second or third reading of this Bill be carried and, if so, by an absolute majority of the whole number of members of the House.

Motion carried.

The SPEAKER: I have counted the House and, there being present more than an absolute majority of the whole number of members of the House, I put the question: that this Bill be now read a second time. For the question say "Aye"; against, "No". There being a dissentient voice, there must be a division. Ring the bells.

The House divided on the second reading:

Ayes (24)—Messrs. Abbott, Broomhill, and Max Brown, Mrs. Byrne, Messrs. Corcoran, Duncan, Dunstan (teller), Groth, Harrison, Hopgood, Hudson, Jennings, Keneally, Langley, McRae, Millhouse, Olson, Payne, Simmons, Slater, Virgo, Wells, Whitten, and Wright.

Noes (21)—Messrs. Allen, Allison, Becker, Blacker, Boundy, Dean Brown, Chapman, Coumbe, Eastick, Evans, Goldsworthy, Gunn, Mathwin, Nankivell, Rodda, Russack, Tonkin (teller), Vandeppeer, Venning, Wardle, and Wotton.

Majority of 3 for the Ayes.

The SPEAKER: I declare the second reading of this Bill to be passed by an absolute majority.

Bill taken through Committee without amendment.

The Hon. D. A. DUNSTAN (Premier and Treasurer) moved:

That this Bill be now read a third time.

The SPEAKER: Pursuant to order, I count the House to 26. I have counted the whole number of members of the House. I put the question: that this Bill be now read a third time. For the question say "Aye"; against, "No". There being a dissentient voice, there must be a division. Ring the bells.

The House divided on the third reading:

Ayes (24)—Messrs. Abbott, Broomhill, and Max Brown, Mrs. Byrne, Messrs. Corcoran, Duncan, Dunstan (teller), Groth, Harrison, Hopgood, Hudson, Jennings, Keneally, Langley, McRae, Millhouse, Olson, Payne, Simmons, Slater, Virgo, Wells, Whitten, and Wright.

Noes (21)—Messrs. Allen, Allison, Becker, Blacker, Boundy, Dean Brown, Chapman, Coumbe, Eastick, Evans, Goldsworthy, Gunn, Mathwin, Nankivell, Rodda, Russack, Tonkin (teller), Vandeppeer, Venning, Wardle, and Wotton.

Majority of 3 for the Ayes.

The SPEAKER: I declare the third reading of this Bill to have been agreed to by an absolute majority.

Bill passed.

ABORIGINAL LANDS TRUST: SECTIONS NORTH OUT OF HUNDREDS

The Legislative Council intimated that it had agreed to the House of Assembly's resolution.

ABORIGINAL LANDS TRUST: HUNDRED OF BONYTHON

The Legislative Council intimated that it had agreed to the House of Assembly's resolution.

ABORIGINAL LANDS TRUST: HUNDRED OF
TATIARA

The Legislative Council intimated that it had agreed to the House of Assembly's resolution.

ABORIGINAL LANDS TRUST: HUNDRED OF
MURRABINNA

The Legislative Council intimated that it had agreed to the House of Assembly's resolution.

CRIMINAL LAW CONSOLIDATION ACT AMEND-
MENT BILL

Received from the Legislative Council and read a first time.

UNITING CHURCH IN AUSTRALIA BILL

The Legislative Council intimated that it had agreed to the House of Assembly's amendments.

ADJOURNMENT

At 10.46 p.m. the House adjourned until Thursday, April 14, at 2 p.m.